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# Latin America Report

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## LATIN AMERICA REPORT

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## SOUTH AFRICANS PROMOTE COAL-BASED SYNTHETIC FUELS

Santiago EL MERCURIO in Spanish 12 Oct 82 p C 1

[Text] A procedure that, with an investment of approximately \$1.5 billion, will enable our country to cut oil imports by 50 percent by obtaining transportation fuels from the natural gas in Magallanes, is being promoted now by a South African business group.

The project, known as South Africa Synthetic Oil Limited (SASOL), involves obtaining fuel for transportation from natural gas and/or coal through the "Sasol-Fischer-Tropsch" process, devised by German scientists and perfected in South Africa, where its efficiency was enhanced.

Johann P. Rupert, managing director of the Rand Merchant Bank Limited and executive vice-president of the Rembrandt Group, one of the most important economic groups of South Africa, was in our country until last weekend to present the SASOL project pursuant to the international invitation to tender issued by the National Energy Commission and the National Petroleum Enterprise (ENAP). The two agencies will evaluate companies and projects in terms of the future use of the natural gas found in Magallanes.

The South African financier explained that he had come to Chile with the intention of promoting the use of that technology in this country. The technology belongs to a mixed South African firm that has been using it in its three plants since 1955, and would be willing to provide it to our country.

He added that in addition to being a promotor, he is an investor linked to the Chilean group called Guillermo Schiess y Asociados. If their offer receives preliminary acceptance from the Chilean Government, they would contribute funds and seek other financiers to provide the resources necessary to implement the project.

#### Investment

Johann Rupert stated that during normal times Chile imports nearly 55,000 barrels of petroleum per day, equal to a little over 50 percent of its consumption. These imports cost between \$850 million and \$900 million per year, and they add up to "a significant dependence on foreign markets for energy," he said.

"The natural gas reserves in Magallanes will make it possible to install a plant at a cost of \$1.5 billion plus the interest charged during the construction period, estimated at an additional \$700 million. Such a plant could provide nearly 27,000 barrels of liquid fuel per day for a period of 15 years or more."

"Furthermore, that plant would serve as the basis for a subsequent project that would make it possible to obtain such fuel through the gasification of the Magallanes coal reserves, for which a similar technology is used," he stated.

He indicated that according to the studies presented, the plant would take 4 or 5 years to build, allowing Chile "to eliminate its dependence in a vital area such as hydrocarbons."

#### Surprise

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The South African businessman, who visited Chile for the first time, expressed surprise at conditions in our country. "The truth is, I was very surprised to see how clean and orderly Chile is, and how friendly and professional its people and institutions are," he remarked.

He stressed that, in his opinion, Chile "is one of the few countries in the world that is in a position to decide its future, because it has all the natural resources necessary for independence. Despite the suffering it is enduring now, in the medium and long term it has very promising prospects for development."

He emphasized that because of these circumstances, there is growing interest in South Africa in making investments in Chile, "and those that have already been made, especially in fishing, have been successful. That optimism is being transmitted to other sectors."

During his stay in Chile, Rupert visited the ENAP facilities and the natural gas and coal deposits at Punta Arenas. He also met with members of the National Energy Commission and with the board of directors of the Chilean Oil Company (COPEC).

8926

CSO: 3348/54

## OPTIMISM REGARDING COUNTRY'S OIL, COAL, URANIUM

San Jose LA NACION in Spanish 16 Sep 82 p 6A

[Text] Mexican technicians are optimistic about finding petroleum in Baja Talamanca, a zone that has also gained added interest for national geologists at this time because of the possibility of exploiting bituminous coal and uranium in it.

Ramiro Estrada and Ramon Ramirez, oil engineers with 30 years of experience working with Mexican Petroleum (PEMEX), assert that the ground they are currently drilling into in the country is very similar to the one they bored in the south of their country prior to this. Their assertions, however, are taken calmly by government officials in order not to raise false hopes in light of the possibility of not finding hydrocarbons in Baja Talamanca.

## Drilling

The Mexican technicians and hundreds of Costa Rican laborers are currently working hard in the petroleum well drilling, which at this time has reached a depth of 1,800 meters. That drillsite is the only place in the world where the PEMEX is directly involved, and that is why some local observers say that "they are staking their reputation."

In the beginning, there was hope of finding "something interesting" at a depth of 1,700 meters. Now, however, the Mexican technicians are looking forward to the depth level between 2,500 and 3,100 meters. The well will go on to a full depth of 5,500 meters if it fails to find hydrocarbons at the upper levels.

Estrada and Ramirez displayed their optimism during a recent visit to Baja Talamanca by Energy Minister Calixto Chaves, Dr Roberto Dobles, executive president of the Costa Rican Oil Refinery (RECOPE), and a large delegation from the Legislative Assembly headed by its chairman, Hernan Garron Salazar.

At present, the drilled section is being cased in accordance with the technical recommendations of the Mexicans, and the drilling to lower depths will be renewed within the next few days.

According to some people, the cooperation between Mexican petroleum technicians and the Costa Rican Government dates back to 1916, when former President Alfredo Gonzalez Flores asked for experts of that country to explore the area of Sixaola Valley.

#### Uranium and Coal

Pedro Afonso, the petroleum exploration manager, said that that valley is also of interest to geologists because of the possibilities of exploiting coal and uranium. He said that some time ago, they had detected the existence of bituminous coal, which is widely used in modern industry at the present time.

He emphasized also that the highest concentrations of uranium in Sixaola Valley have been detected in the samples collected at the Carbon River. He noted that they had determined the presence of 9.6 percent parts per million of uranium concentration (that is a measure used by technicians), which is the highest in all the territory. For that reason, it is considered that Sixaola Valley could become "the energy zone of the country."

The possible exploitation of both minerals could be undertaken sometime with the aid of international organizations and friendly governments.

8414

CSO: 3248/32



## PROMISING FUTURE FOR GEOTHERMIC EXPLORATION

Managua LA PRENSA in Spanish 9 Sep 82 p 7

[Text] The promising future of geothermal exploitation in Nicaragua has created such an enthusiasm in the government that it is seeking a new loan of \$45 million in France and Italy to expand the Momotombo Volcano project.

The foregoing was disclosed by the engineer Ernesto Martinez Tiffer, director of geothermal projects of the INE [National Energy Institute], during a tour of the Momotombo installations which was covered by newsmen of various media of the capital.

The INE official discussed the project, pointing out that the first geothermal researches were started in our country in 1966 with a study made by the Electroconsult consulting firm whose purpose was to determine the existence of fields of this type of energy. After geologic and volcanologic surveys, suitable areas were found in various parts of the country, particularly in the Momtombo Volcano and San Jacinto.

Martinez said that everything was going well until Somoza became interested in the project in 1975, when he perceived a big profit in it, to the extent that he devised an energy company which started drilling wells wildly on the lower slopes of the Momotombo. He remarked that the more wells Somoza's company drilled, the more money it made. "A total of 32 wells were drilled up to December 1978, and there were periods when the dictator's enterprise would earn up to \$8,000 daily per drilling," he said.

"As will be realized, the revolutionary government took over the Momotombo project when it was greatly behindhand and lacking proper technological research. But notable progress has been made since 1979 to date, and we can assure that barring any unforeseen event, Nicaragua will be producing geothermal energy in commercial quantities by July 1983."

The engineer Martinez indicated that the civil-engineering works are 70 percent completed, and that the job of installing the first geothermal unit has already begun. They include the machinery buildings, control building, cooling tower, residual-water disposal system, and the turbine-generator system of 35 MW capacity.

He said that the contract of the main works is the Italian firm GIE, which has much experience in this field, while the contractors for the related jobs are the Ministry of Construction and private concerns.

According to INE calculations, the country will save some \$20 million annually on petroleum imports once the first 35-MW unit goes into operations. "The goals are," the official stated, "that Nicaragua will be self-sufficient in electric energy in the 1990's, i.e., that petroleum, on which the current outlay is equivalent to 40 percent of the exports, will not be needed for its production."

He explained that in this manner, Nicaragua will become the second Central American country to exploit this type of energy after El Salvador, which has a project that has been in operation for several years in the border zone with Guatemala. "The geothermal potential of Nicaragua is huge and perhaps surpassed only by Mexico in Latin America," Engineer Martinez optimistically and proudly pointed out.

With regard to the expansion programs of the Momotombo project, he said that the construction of a second geothermal unit is already being projected, for which purpose the \$45 million loan is being sought. Construction of this new unit would be started approximately in 1986, and its installed production capacity would be another 35 MW, which added to the production of the first unit will represent 25 percent of the installed capacity of the country.

8414

CSO: 3248/32

## SALVADORAN-HONDURAN TRADE AGREEMENT

San Salvador DIARIO LATINO in Spanish 22 Sep 82 pp 13, 17

[Article: "Normalization of Trade With Honduras Preoccupies ASI"]

[Text] The Salvadoran Industrial Association (ASI) has indicated its worry over the lack of normalization of its trade agreement with Honduras, recently agreed upon by both governments.

Regarding said matter, ASI makes the following statements concerning the Honduran press of recent date (17 September), which said that Salvadoran businessmen are engaged in "foul play" when they claim that Honduran businessmen are obtaining "black market" currency to pay El Salvador for Honduran importations.

1) The resumption of trade between Honduras and El Salvador has pursued a long and painful path. However, the efforts made by Salvadoran industrialists and businessmen to realize this objective have never involved dishonest or reprehensible means for the purpose of attaining illegal advantages.

On the contrary, knowing that the principle and direct beneficiaries of the resumption of said trade are the peoples of both countries, we have worked with the greatest enthusiasm and integrity to attain that objective.

2) ASI has very responsibly carried out its role in the negotiations to attain the reopening of Honduran-Salvadoran free trade. The Salvadoran monetary authorities were the ones, including chiefly the Central Reserve Bank, who have failed to fulfill their commitments to facilitate the availability of currency for payment of importations not only from Honduras, but also from the other countries of the area with which El Salvador trades.

The incongruous policy, the lack of a single and definite criterion regarding the designation of currency by the Central Reserve Bank, has put obstacles in the way of an Inter-Central American freely flowing trade.

3) For the above mentioned reasons, ASI asks the cited authorities to fulfill the commitments subscribed to with the Honduran authorities and the other countries, in order to overcome the pitfalls that are keeping the Salvadoran people from benefiting from free trade in the Central American sphere, but especially between El Salvador and Honduras.

## SOUTH PACIFIC GROUP APPROVES ANTIPOLLUTION PROTOCOL

Quito EL COMERCIO in Spanish 8 Oct 82 p A 1

[Text] The international seminar-workshop organized by the Permanent Commission of the South Pacific (CPPS) and attended by official delegations from Panama, Colombia, Ecuador, Peru and Chile concluded with the approval of a protocol to protect the Southeastern Pacific from contamination with land-generated pollutants.

According to published information, any country bordering on the South Pacific that wants to join can do so. This information will be given to the countries that make up the area.

For administrative and operational purposes of the protocol, the contracting parties agreed to designate the CPPS as the executive secretariat of same.

It should be emphasized that the basis for legislation protecting and preserving the Southeastern Pacific from contamination by land-generated pollutants is being established for the first time, and that it is Ecuador and the CPPS that will give impetus to this protocol, which, once approved by the signing countries in the area, will function as the legal norm in the defense of the natural resources of the Southeastern Pacific.

Standing out as the fundamental purposes of the protocol are the determination and commitment of the countries to adopt, either individually, bilaterally or multilaterally, appropriate measures in accordance with the protocol in order to prevent, reduce or control the contamination of the ocean with land-produced pollutants when noxious effects are produced or can be produced, such as damaging effects to natural resources and marine life, danger to human life, obstruction of marine activities, including fishing and other legitimate uses of the ocean, deterioration of the quality of ocean water and damage to recreation areas.

According to the protocol, the region of application of same includes the area of the Eastern Pacific Ocean within the 200-mile limit of the territorial waters of the newly contracting parties (countries that signed the agreement).

It also includes the waters inside the base line that would serve to measure the width of the territorial waters, which in regard to flowing waters will extend to the limit of the fresh water. The limit of the fresh water is understood as the place in the flowing waters where during low tide and in times of low volume the degree of salinity increases appreciably due to the presence of ocean water.

According to what was stressed, all that is specified above regarding the region of application will not jeopardize the sovereignty rights that the countries hold over their territorial waters.

According to the assembled delegates, ocean contamination from land pollutants includes that which comes from coastal outlets or deposits and drainage, discharges from rivers, canals and other flowing waters, including subterranean ones, from any water source located inside the territories of the newly contracted parties, whether it be carried by water, through the atmosphere or directly from the coast.

The protocol will also apply to the contaminating discharges that come from man-made structures located in the ocean that are under the jurisdiction of some country.

The countries will make laws and regulations to prevent, reduce and control contamination of the ocean with land pollutants, including rivers, estuaries, pipelines and drainage structures, keeping in mind the rules and standards as well as the practices and procedures that they have agreed to internationally.

To this effect the countries will try to harmonize their policies regarding these matters in the region of application.

Regarding cooperation, the countries that need help to combat contamination with land pollutants could solicit, either directly or through the intervention of the Executive Secretariat, cooperation from the rest of the countries, especially from those that could be affected by the contaminants.

Cooperation could include advice from experts and the provision of the equipment and materials necessary to fight contamination.

9907

CSO: 3348/30

## GRAIN STORAGE CAPABILITIES NEARING NORMAL LEVELS

Bahia Blanca LA NUEVA PROVINCIA in Spanish 18 Sep 82 supp p 6

[Text] Representatives of the dealers in agricultural produce [that is, those who buy up, store, and then resell the crops], both at the national and the regional levels, have agreed in affirming that "we are overcoming the crisis under which we have lived during the last 4 years," basically because of a "logical" change in the economic and financial policy of the country. As another factor bringing about this change, they pointed to the fact that grains have reached "a significant price level," in spite of which they did not hesitate to voice their fears of "instability" caused by national measures.

The chief opinions expressed--or the great majority of them--were those of Jose Ramon Saez Garcia, president of the Federation of Centers and Union Organizations of Grain Dealers, and Fioravanti Tamagnone, president of the Dealers Center of Buenos Aires. Both visited our city and consequently our newspaper office. Jorge Souville, president of the Dealers Company of the Bahia Blanca Area, and Eduardo Nestor Madariaga, president of the Dealers Center of Coronel Dorrego, came along.

Saez Garcia and Tamagnone have made contact in the Bahia Blanca with dealers of the area for the purpose of organizing the National Conference of Dealers which will be held 14-16 October 1982 in Villa Carlos Paz, Cordoba Province.

They have been studying different matters concerning that conference and also "polishing up" agendas for the various technical meetings which will get down to detailed work at that conference.

The main objective is directed toward "obtaining a maximum of professionalization in the activities of the dealers," which they said include all commercial, legal and even technical matters regarding operation of elevators and silos on which the dealers' activities depend.

"We are Overcoming the Crisis"

The dialogue with the visitors--once their need to give advance publicity to their conference was taken care of--was then channeled into other matters of general interest.



They believe that "we are overcoming the crisis under which we have lived for the last 4 years." They attributed this change "to the modification of the economic and financial policy of the country." They also emphasized that "by conducting the trade in grain within a framework of economic freedom, dealers activities are developing in an almost normal way in a vast area of the national territory."

"The fact that grains have reached a significant price level has meant that the dealers' sector has solved its financial problem," they observed with an eagerness to express their opinions. And they pointed out that the delay had occurred because of the construction of facilities wherein dealers were caught by high-interest financing arrangements.

#### Proper Exchange Expenditure

"Do you believe there will be more stability now?" the dealers were asked.

"We do not believe very much in stability. On the other hand, we do want it. What we are sure of is that Argentina can only get out of this embarrassing situation in which it finds itself in relation to countries abroad (which is called foreign debt) by increasing production and the only way it can do that is through agriculture."

Having given this answer, they noted that "to accomplish this, there is a need to provide the returns which are merited. One of the chief things which must be considered," they added, "is a proper exchange expenditure, not like the present one which is completely distorted. This situation is recognized even by the government. An increase in production will not come about simply by sowing more hectares without also employing technology and using fertilizers...."

"We Took Up the Challenge...."

Next the dealers observed that when "Salaberren announced the proposal to increase the number of hectares planted to 8 million, we took up the challenge and put ourselves at his service, along with the force of our publicity campaign to see that the proposal be put into effect. We believe that we have accomplished that. We distributed hundreds of thousands of sacks of wheat, to be paid for without interest after the harvest. Along these lines we also believe that the state in such circumstances, in a manner which will not hurt its interests, will have to see to it that the producers have at their disposal fertilizers and pesticides at prices in keeping with costs of production. That could be the answer to the proposal for increasing production. Besides, with agricultural chemicals the same area could produce 25 to 30 percent better yields."

"Don't we run the risk of over-production and finding ourselves in need of markets for disposing of our crops?" we asked them.

"No," they answered,, "there is a world demand for grains. We could find it difficult to dispose of all our meat, but not the grains. Besides, the prices of our products are much more reasonable than those of any other country."

They also noted that producers and dealers as well as the cooperatives "have enough storage capacity to hold onto the goods if prices are not sufficiently remunerative."

However, in one way or other, they held that now "they will have to empty the (storage) spaces. The producer will have to sell." They observed that when the American corn harvest begins, prices can fall. "If exporters have to cut back because the U.S. price is lower," they reasoned, "then there will be 1.5 million tons left to be consumed domestically, an amount which we are not going to be able to use up...."

#### Defending Production

Regarding other matters, they attributed the holding back of sales by producers to the fact that "in the great majority, they think they are going to get our of debt" this way. For another thing, they indicated that a low value of money causes the producer to take refuge in his own goods, not selling them because he does not want to have the money on hand. In this way he protects himself from devaluations."

They also pointed out that "the unification of the exchange market which the government has not promised is being awaited. The producer therefore is waiting for better prices."

#### Privatization of Silos

In regard to privatization of silos, as initiated by the National Grains Board, the dealers declared that "we are partners," but also said "it will not be only the cooperatives which will take part in litigations." They explained that these facilities were constructed with contributions made by all producers of the country through a withholding tax, and the dealers noted that "all producers contributed to this fund, both those who sold through cooperatives and those who did so through dealers...."

The dealers argued for reactivation of railroad trains to transport grains. "Beyond 250 kilometers, use (of the trains) is essential. With full trains, the job comes out very favorably," was their viewpoint. They also said "In our opinion, we were obliged to modify installations so that they would load 1,000 tons in 12 hours (in accordance with the standard set by state industry) and the dealers believed that trains will also require some remodeling to see that an agglomeration of cars does not occur."

#### Normal Operations at Ingeniero White

At the close of the conversation, they talked about Ingeniero White. "The local port [of Bahia Blanca] where in other days they had so many difficulties," the dealers related "today permits work to go on in an absolutely normal way. There are no difficulties and, basically, no shortages of goods occur."

9972

CSC: 3348/38



## PAPER INDUSTRY TO OPEN IN TUCUMAN

Buenos Aires LA NACION in Spanish 28 Sep 82 p 6

[Text] The executive director of the Tucuman Paper company, Alberto Schilling, said that "surely, this year," manufacturing paper for newspapers will start and will mean opening of sources of work for a thousand people.

Schilling, in statements made at Ezeiza, after doing business in America and Europe, said that Tucuman Paper, jointly with Press Paper, will allow replacing of imports valued at \$120 million and that they are ready, according to present demand, to supply the internal market.

The executive said he had visited suppliers for the enterprise in Brazil, Mexico, Sweden, Germany and France "where our country has bought equipment with dollars and, in terms of letters from the Central Bank, we have talked about negotiating our debt."

He said "the debt is not very large in terms of the project, now on the order of 70 million dollars."

He pointed out that during this week a meeting will be held in Tucuman to set up a definitive timetable for starting the enterprise, but he anticipated that "it will surely be this year."

Schilling said, "given the particular time through which our country is going in matters of foreign debts and imports," it is necessary to underscore that 'jointly with our colleague, Press Paper, we will be replacing imports in the years ahead by more than \$120 million annually."

"This is very important from the point of view of Argentine journalism," which means "to be able to have in this country our own supply source of raw materials."

He stated further that "according to the present demand, doubtlessly" the nation will achieve a supply of paper for newspapers, "but, if the demand increases to the point that it should, 20 percent will be needed."

Later, he said that the business will absorb about 700 laborers and employees directly and, indirectly, about 300 more.

## BRIEFS

SHIPS TO CHINA--The national director of shipbuilding, navy Captain Jose Suarez, said that the prospects are good that the People's Republic of China will order the construction of ships in Argentina. On his return from a trip to Peking, Captain Suarez revealed that the Chinese Maritime Transport Corporation had asked for an estimate for the construction of a 40,000-ton ship which "is able to open doors to large operations and which would have an outstanding influence on Argentine shipbuilding." In statements made at Ezeiza airport, the official said that his visit to China was included within the talks held last April by the Sino-Argentine Mixed Commission. The captain estimated that the ultimate cost of the ship ordered by China to be between \$20 and \$23 million. [Text] [Buenos Aires LA NACION in Spanish 27 Sep 82 p 3] 9908

TRADE WITH POLAND--Warsaw (AFP)--Argentina and Poland signed a mutual cooperation agreement during the fourth session of the Mixed Commission for Economic Cooperation. According to a report broadcast by the official agency, PAP, Poland plans to import from Argentina hides, wool, cooking and industrial oils, as well as various foods and cereals. For its part, Poland will export coal and naval construction and industrial mining equipment. The Argentine delegation, headed by Secretary of Commerce Alberto Fraguio, held meetings with the chairman of the Polish Government's Planning Commission, Deputy Chairman, Zbigniew Madej, and with the head of the Economic Committee of the Council of Ministers, Deputy Chairman Janusz Obodowski. After having reached a record volume of \$100 million 2 years ago, trade between Poland and Argentina showed a marked decrease and this year it will not go above \$40 million. Meanwhile, in Warsaw, it was announced that there are new plans for fishing and shipbuilding cooperation under consideration. Moreover, the two parties are already in agreement on the necessary financial mechanisms for increasing their trade. [Text] [Buenos Aires LA NACION in Spanish 3 Oct 82 p 14] 9908

TAM EXPORTS LIKELY--The chief of the Army Command told of production of vehicles that the Argentine Medium Tank (TAM) State Society manufactures, in accordance with a long range plan that meets reequipping the armed force as well as the prospects for exporting. The manufacturing plan for the current year is kept within the proper tone of national economic reality, "but in some ways it can be alluded to a paralysis in production flow, as is attempted in some of the versions disseminated. The TAM family of armed vehicles which includes the latest technology appropriate to this sophisticated matter,

encourages diverse developed national industries and this year production of the VCTM, which means combat mortar transport vehicle, was added, foreseeing down the road placement on the assembly line a VCPC series, which means combat command post vehicle, for which TAM will continue to need private manufacturing assistance. [Text] [Buenos Aires LA PRENSA in Spanish 7 Oct 82 p 4] 9908

JAPANESE FISHING FIRMS--Yesterday undersecretary of national fisheries, navy Captain Hugo Talamoni, confirmed that, according to measures that were taken recently in Japan, "in the degree to which joint enterprises are made with the Argentine Republic, ships from that nation will be allowed to operate within the exclusive economic zone of our country, thus giving work to Argentine personnel." The official made these statements on his arrival at Ezeiza International Airport enroute from Tokyo where "stronger ties with a country that already has interests in Argentina were made in matters of fishing with the idea of getting into tuna fishing activities, in which the republic has yet to start its operations." Regarding concrete agreements between both nations, Captain Talamoni stated that "a Japanese enterprise based in Puerto Deseado already exists" and he emphasized that "for tuna fishing, all plans are for the open sea, because they are performed outside our 200 miles," emphasizing "bringing together one or two joint enterprises." Finally, Talamoni expressed the desire that "fishing families live in Argentina since our wish is to have crews with maximum percentage of Argentines, or rather with foreigners who live permanently in the republic." [Text] [Buenos Aires LA NACION in Spanish 26 Sep 82 p 13] 9908

ANTARCTIC SEED STORAGE--The National Institute of Agricultural and Livestock Technology (INTA) and the Argentine Antarctic Institute (IAA) have signed an agreement under which studies and experiments will be conducted to determine the behavior of various grain and forage crop seeds which will be stored for long periods at bases in Antarctica. The Antarctic Institute will cooperate during the research period at determined intervals at the bases in Antarctica in order to dry and preserve the vegetal specimens, and also to facilitate the movement of INTA technicians and the periodic transport of materials. The INTA experimental station at Pergamino, Buenos Aires Province will analyze these materials to determine the germinative power and other quantitative indicators of the effects produced by the experimental conditions. These experiments are of fundamental interest not only for Argentina but also for other countries and international research organizations. [Text] [Buenos Aires LA NACION in Spanish 2 Oct 82 sec 3 p 3] 9972

CSO: 3348/38

PINDLING ON DEVELOPMENT, PLP OFFICERS ELECTION

FL021659 Nassau Domestic Service in English 1300 GMT 2 Nov 82

[Excerpts] Mr Pindling in his address before a capacity audience and over radio and television outlined that the new policy on casinos, the establishment of a free trade zone in Nassau and year-round agro-industries in Abaco and Andros are three job-creation strategies on which the government is taking immediate and decisive action.

The young liberals, the youth arm of the PLP, in their first post-convention meeting last night recognized the need to form more young liberal branches throughout the family islands. The group is also charting a new broad-ranging program for the nation's youth.

The full slate of officers to the Young Liberal Central Committee was also announced last night. The chairman is (Trevor Wiley) of Grant's Town, first vice chairman is (Charles Miller) of Bains Town, second vice chairman (Jennifer Harvey) of Ft Fincastle, secretary (Alvin King) of Fox Hill, assistant secretary (Diane Watson) of Yellow Elder, Treasurer (Michael Adley) of St Michael's and assistant treasurer (Kevin Simmons) of Marco City. The executive members are (John Martin) of West End, (Jerrel Saudners) of Kemp's Bay, (Judson Wilmar) of South Beach, Allison Maynard of Marco City, (Kevin Miller) of Grant's Town, (Eddy Johnson) of Governor's Harbour, (Joseph Lord) of Centerville and (Neil Ellis) of Montagu.

CSO: 3298/1132

## LIKELY GUBERNATORIAL VICTORY NATIONWIDE DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Oct 82 p 3

[Article by "C. C.": "Government, PMDB Equally Optimistic"]

[Text] Brasilia--Less through straw votes published in the press and more through confidential information they are gathering, the government and the opposition each week bring up to date their calculations about the November elections. Of course, figures, even unpublished ones, do not win elections, and published ones will not decide the outcome either.

Planalto Palace takes as certain the victory of its gubernatorial candidates in Santa Catarina, Mato Grosso, Bahia, Sergipe, Alagoas, Rio Grande do Norte, Ceara, Piaui and Maranhao. It believes it has a better than even chance in Pernambuco, Paraiba, Minas Gerais and Rio Grande do Sul. And it also thinks it has possibilities of winning in Para, Espirito Santo and Mato Grosso do Sul. There are thus three levels of government expectations: 9 certain, 4 almost certain and 3 possible, totaling 16. It should be added that, according to such figures--which will never be seen in public--Parana, Sao Paulo, Rio de Janeiro, Goias, Amazonas and Acre would be lost.

It happens that the expectations of the PMDB [Brazilian Democratic Mobilization Party] are otherwise, to confine ourselves to only the main opposition party. The PMDB considers itself unbeatable in Parana, Sao Paulo, Rio de Janeiro, Minas Gerais, Espirito Santo, Pernambuco, Amazonas and Acre. It assumes it has a high probability of electing the governors of Mato Grosso do Sul, Mato Grosso, Para and Rio Grande do Sul. And it nurtures hopes of victory in Piaui, Rio Grande do Norte and Paraiba. Here, too, then, there are nine certain, four very close to certain and three possible. There seems to be little hope for the PMDB in Santa Catarina, Bahia, Sergipe, Alagoas, Ceara and Maranhao.

The coincidence is that, despite continued campaigning and shouts of "victory" by all in regard to all races (since to admit defeat in any state would be demoralizing), both the government and the PMDB are assuming nine sure wins, four within reach and three possible. That makes 16 for one side and 16 for the other; to make that work out, there would have to be 32 states instead of 22. Since there are only 22 (there will be no elections in Rondonia, where the PDS [Social Democratic Party]-appointed governor remains in office), it will be necessary to try to construct a more realistic picture, without the excesses of one side or the other. Hence, the scene in each of the 22 states would really be:

Acre: Nabor Junior of the PMDB can consider himself elected, without much chance for Nossor de Almeida of the PDS.

Amazonas: Gilberto Mestrinho, former governor, for the opposition, could lose to Josue Filho, of the government party, only by a miracle.

Para: Jader Barbalho, PMDB, could win with the help of Governor Alacid Nunes, rival of Senator Jarbas Passarinho, but as the latter is waging a fierce campaign for his own reelection to the Senate, no one can be certain he will not carry Oziel Carneiro to victory for the PDS.

Maranhao: Despite the efforts of former deputy Renato Archer, PMDB, everything indicates the supremacy of Luis Rocha, PDS, supported by Senator Jose Sarney.

Piaui: The struggle is close, but leaning toward Hugo Napoleao, PDS, against former governor Alberto Silva, now in the PMDB.

Ceara: Luis Gonzaga Motta emerged from the reconciliation of the state's three major PDS forces and in all likelihood will overcome Senator Mauro Benevides.

Rio Grande do Norte: Another intense, unpredictable race: Aluisio Alves, PMDB, against Jose Agripino Maia, PDS.

Paraiba: Wilson Braga, PDS, has a pretty good hand, but Antonio Mariz, PMDB, holds trump. In other words, could go either way.

Pernambuco: Despite the straw voting and the work done by former governor Marco Maciel, logic still points to victory for Marcos Freire, PMDB, over Roberto Magalhaes, PDS.

Alagoas: Former governor Divaldo Suruagy will win, despite the rise of Deputy Jose Costa, chalking up one more point for the government party.

Sergipe: Senator Gilvan Rocha, PMDB, seems doomed to defeat by Joao Alves, PDS.

Bahia: Even if not winning by 1 million votes, whomever Governor Antonio Carlos Magalhaes chooses to replace Cleriston Andrade, who died a few days ago, will beat former governor Roberto Santos.

Espirito Santo: The indecisiveness and irascibility of Governor Eurico Rezende will sweep Gerson Camata, PMDB, to victory over Carlos Von Shilgen, PDS.

Rio de Janeiro: Utter confusion. It has been Sandra Cavalcanti, PTB [Brazilian Labor Party], then Miro Teixeira, PMDB; now it may be Leonel Brizola, PDT [Democratic Labor Party], although Wellington Moreira Franco, PDS, has been growing mightily.

Minas Gerais: Eliseu Resende, PDS, was up, then down, later up again, but he is unlikely to get more votes than Tancredo Neves of the PMDB.

Sao Paulo: Reynaldo de Barros, PDS, couldn't occupy Bandeirantes Palace if he decreed it, as Franco Montoro rises every week in the polls. Luis Ignacio da



Silva, PT [Workers Party], will challenge Barros for second place while Janio Quadros, PTB, and Roge Ferreira, PDT, fight it out for last place.

Goiás: Former governor Octavio Lage, PDS, is campaigning strongly, but he will not supplant Iris Rezende, PMDB.

Mato Grosso: Julio Campos, PDS, gives the impression of having already been elected, but Father Pomba, PMDB, may surprise.

Mato Grosso do Sul: Governor Pedro Pedrossian has finally settled on Jose Elias Moreira, PDS, after much hesitation, which makes his election against Wilson Martins, PMDB, difficult.

Parana: Former governor Ney Braga is doing all he can with the official apparatus to boost Saul Raiz, but the opposition parties, united behind Jose Richa, are only a step away from a victory celebration.

Santa Catarina: Esperidiao Amin,, PDS, seems stronger than Jaison Barreto, PMDB.

Rio Grande do Sul: United, the opposition parties are unbeatable, but with the split between Pedro Simon (PMDB) and Alceu Collares (PDT), PDS candidate Jair Soares thought he could occupy Piratini Palace. Indications are that with each passing week the Collares supporters are quietly deciding to vote for Pedro Simon, but it will be necessary to wait for confirmation of this trend.

That is the picture, based upon information that was valid yesterday but may no longer be today. So do your own arithmetic, because tomorrow is another day...

8834

CSO: 3342/8

## TSE RELEASES OFFICIAL DATA ON VOTERS NATIONWIDE

Brasília CORREIO BRAZILIENSE in Portuguese 7 Oct 82 p 6

[Text] The TSE (Superior Electoral Court) yesterday released the first official data on the total number of voters nationwide. Of the states, Sao Paulo has the most voters, while Acre has the fewest. Of the territories, Amapa has the most and Fernando de Noronha has the fewest. In all, a total of 54,047,400 voters had been counted by the end of June.

The statistics prepared by the TSE, which are based on data provided by the states, list male and female voters separately for all the states and territories and all the capitals. There are fewer female than male voters in the following capitals: Curitiba, Recife, Belem, Brasilia, Manaus, Goiania, Porto Velho, Campo Grande, Vitoria, Florianopolis, Cuiaba, Macapa, Rio Branco, Boa Vista, Rio de Janeiro, and Sao Paulo.

While the figures for Sao Paulo show that 13 million persons are eligible to vote in that state, the total for the Territory of Fernando de Noronha is only 474. In Rondonia, a recently created state, 99,772 men and 66,484 women are listed for a total of 166,256. In Brasilia, the lists show 227,275 men and 203,644 women.

So far, the Regional Electoral Court of Sao Paulo is the only one to have provided the TSE with final figures on the number of voters for 15 November. In that state, 4,582,171 will vote in the capital, and 8,561,847 will vote in the interior.

[See the tables on the following page.]



11798  
CSO: 3342/16

Voters by political subdivision as of  
30 June 1982 (in descending order)

Political unit	Male	Female	Total
SÃO PAULO	6 711 703	5 574 870	12 286 573
MINAS GERAIS	3 417 880	2 803 716	6 221 596
RIO DE JANEIRO	3 164 213	2 824 514	5 988 727
RIO GRANDE DO SUL	2 182 722	1 924 957	4 107 679
PARANÁ	2 272 793	1 559 139	3 831 932
BAHIA	2 066 746	1 726 408	3 793 154
PERNAMBUCO	1 217 636	1 107 056	2 324 692
CEARÁ	1 033 898	1 041 397	2 075 295
SANTA CATARINA	1 070 131	904 788	1 974 919
GOIÁS	988 604	724 106	1 712 710
PARÁ	727 400	551 942	1 279 342
MARANHÃO	706 339	555 892	1 262 231
PARATIBA	574 722	591 462	1 166 184
ESPIRITO SANTO	524 798	352 915	877 713
RIO GRANDE DO NORTE	424 750	441 339	866 089
PIAUÍ	454 473	405 352	859 825
MATO GROSSO DO SUL	377 872	288 658	666 530
ALAGOAS	337 943	289 210	627 153
AMAZONAS	254 049	217 245	471 294
MATO GROSSO	267 756	184 429	452 185
DISTRITO FEDERAL (1)	227 275	203 644	430 919
SERGIPE	214 445	207 760	422 205
RONDÔNIA	99 772	66 484	166 256
ACRE	56 838	49 252	106 090
AMAPÁ	36 699	25 759	62 458
RORAIMA	20 467	12 708	33 175
FERNANDO DE NORONHA	310	164	474
T O T A L	29 432 234	24 615 166	54 047 400

Voters in the capitals as of  
30 June 1982 (in descending order)

Capital	Male	Female	Total
SÃO PAULO	2 288 915	2 125 446	4 414 361
RIO DE JANEIRO	1 472 342	1 478 544	2 950 886
BELO HORIZONTE	434 412	447 104	881 516
PORTO ALEGRE	312 261	336 982	649 243
SALVADOR	313 331	320 678	634 009
FORTALEZA	262 057	300 607	562 664
CURITIBA	279 056	272 730	551 786
RECIFE	260 796	258 050	518 846
BELEN	234 417	227 409	461 826
MANAUS	140 976	138 302	279 278
GOIÂNIA	135 491	126 374	261 865
SÃO LUÍS	93 203	95 943	189 146
NATAL	87 193	101 758	188 951
TERESINA	76 135	81 196	157 331
PORTO VELHO	92 722	61 244	153 966
MACAÏO	75 786	77 438	153 224
CAMPUS GRANDE	76 858	61 021	137 879
JORDÃO PESSOA	63 395	71 037	134 432
AMACAJU	64 000	65 541	129 541
VITÓRIA	58 226	56 480	114 706
FLORIANÓPOLIS	54 692	54 338	109 030
CUIABÁ	43 154	39 463	82 617
MACAPÁ	32 860	23 009	55 869
RIO BRANCO	28 518	26 098	54 616
BOA VISTA	18 526	1: 494	30 020
T O T A L	6 999 322	6 858 586	13 857 908

Key:  
1. Federal District

## PRESS REPORTAGE ON PLANNING FOR ANTARCTIC EXPEDITION

## Research Projects

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Sep 82 p 10

[Text] At the end of 1983, when Brazil returns to the Antarctic, it will have real possibilities of building its first base on the continent, using containers or trailers with capacity to house at least 10 scientists. Meanwhile, the first expedition this coming summer will permit observation of projects proposed by the scientific community and their feasibility, besides acquiring know-how and consolidating participation in SCAR (Scientific Committee on Antarctic Research).

In summarizing the conclusions of teams that participated yesterday in the First Seminar on Antarctic Affairs, the researchers agreed to revise their projects, in an effort to simplify them and adapt them to the actual conditions Brazil will face in this first voyage, in which the ships "Professor Besnard" of the USP [Sao Paulo University] Oceanographic Institute and "Barao de Teffe" (acquired by the navy and with capacity for 70 persons, including scientists, officials and crew members) will participate.

The deadline for revising and submitting new projects was extended to 30 September. Programs delivered after that date, however, could be used by the second expedition, which will go to the Antarctic at the end of 1983 and early 1984. The deadline for that purpose is 30 April 1983, as funds will have to be raised to support each project.

Commandant Fernando Sergio Nogueira de Araujo, of the Navy General Staff, asserted that the interest shown by industries represented by the FIESP [Sao Paulo State Federation of Industries] requires more detailed specifications for the equipment the scientists intend to use. In this way, according to him, the contribution of Sao Paulo businessmen could be made by furnishing and developing Brazilian know-how.

Rear Adm Mucio Ribeiro de Bakker, secretary of the Interministerial Commission for Ocean Affairs, representing the Navy Ministry, announced that the next meeting of the CIRM [Interministerial Commission for Ocean Resources] will not be held until 21 October, when it will certainly be decided what projects and what crew will be part of the first expedition. He said, however, that the deadline will not adversely affect preparation of the Brazilian program.

Among the seminar's conclusions are priority for research that can be done at sea in the fields of geology, biology and atmospheric sciences, besides observations of behavior and adaptation of Brazilian scientists and equipment in climatic situations as yet unknown to Brazilians.

#### More Research Ships Needed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Oct 82 p 13

[Text] Brasilia--Adm Mucio Piragibe Bakker, executive secretary of the Inter-ministerial Commission on Ocean Resources (CIRM), declared in Brasilia yesterday Brazil's "urgent need" to commission construction of a ship for oceanographic research. In the admiral's opinion, the decision should already have been made, in view of the Antarctic program's timetable, which calls for using a new ice-breaker ship in the second expedition, to be made at the end of 1984.

After recalling the dimensions of Brazil's coastline and stressing the importance of the "advance to the sea" policy, Piragibe noted that the navy has only two research ships. One is the "Admiral Saldanha," part of the fleet for almost 50 years, and the other is "Admiral Camara," which "is in poor condition and is used only for geological research."

Rounding out the picture, there is the "Barao de Teffe," bought from Denmark recently and which will go to the Antarctic in December, defined by the admiral as a support vessel. Besides, there remains only the "Professor Besnard" of Sao Paulo University, which will also take part in the first Brazilian expedition to the southern continent, but the admiral recalled that 100 million cruzeiros had to be invested to make it ready for the operation.

Purchase of these vessels is a decision made by the financial branches of the government, the admiral explained, adding that the CIRM is limited to giving its approval as to the ship's suitability for Brazilian scientific needs. In this regard, the commission has given its approval to the offer made by a Japanese shipyard, whose project would permit making an annual expedition to the Antarctic and the ship could be used for research in Brazilian waters during the rest of the year. Its cost was not revealed by Piragibe but it is known that the price is higher than \$25 million--the amount of a similar offer from a Danish shipyard.

The admiral repeated his appeal to members of the Sao Paulo State Federation of Industries (FIESP) to support the Brazilian expedition at the end of the year. According to his suggestion, the firms could furnish material and equipment for the voyage and thus obtain public-relations benefits.

So far, in connection with purchase of the "Barao de Teffe" and some equipment, the government has spent \$3.4 million (about 680 million cruzeiros), a cost considered small by the CIRM executive secretary.

In regard to preparations for the voyage, Piragibe added that the navy will soon begin the medical and psychological tests that will help choose the "Barao de Teffe" crew, who will be on board the ship about 2 months. He considers these tests extremely important "to avoid surprises in the behavior of crewmen who will be in a situation of close confinement, cold weather, the adverse sea of the Antarctic and at a great distance from their families."

## PCB REITERATES SUPPORT OF PMDB; PRESTES CRITICIZES BRIZOLA

## PCB Support for PMDB

Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 Sep 82 p 5

[Text] Sao Paulo--Meeting in this city in the presence of its secretary general, Giocondo Dias, the principal leaders of the PCB [Brazilian Communist Party] reiterated their support for the candidates of the PMDB [Brazilian Democratic Movement Party] running for state governorships, dealt with the organization of the National Meeting of Communists (a version of the Seventh Congress which former secretary general Luis Carlos Prestes termed a farce), and debated the formalization of the request that will be made to the government to try to get the party legalized.

In the opinion of Giocondo Dias, a PMDB victory in several states will contribute to the "defeat of the liberalization plan that is being imposed on Brazilian society to prevent a participatory democracy." The PCB secretary general termed the dialog between former Governor Leonel Brizola and Luis Carlos Prestes, which occurred in Rio recently, "a meeting between two party bosses, one old and the other young." The request for legalization of the PCB will be made "at the appropriate time," according to Dias.

## Resolutions

The topics of the seventh congress have already been debated by the communists and now will be transformed into resolutions by the party. Giocondo Dias denied that the seventh congress was already being held in Sao Paulo and revealed that the date is going to depend on the political situation of the country. He thus denied that the congress is scheduled for October, as was reported. According to the secretary general, the party's intention is not to clash with the National Security Law. "Despite the national security law, we are working for the legalization of the party. I have a right to be a communist and am using that right."

The communists hope that, on the date when they will meet to attempt to gain legalization of the PCB, they can invite representatives of the other political parties--PMDB, the PDS [Social Democratic Party], the PT [Workers Party], the PTB [Brazilian Labor Party] and the PDT [Democratic Workers Party]--to participate in the discussions. As for the national meeting of the party, the PCB has not decided whether it will keep the promise to promote it publicly; it also has not revealed in which state it will be held.

Giocondo Dias announced that the PCB has again taken a position against revanchism and against discrimination: "We are not against the military; but we are against the paternalism that was established in the country in 1964. There is even one who sets himself up as the father of the country and goes so far as to say what the priests should do."

#### Support for the PMDB

The communists sought to make it clear that, in their opinion, the coming elections "will not solve the country's problems" but "are absolutely necessary for the democratic process." According to the party, the intent of support for the PMDB is to strengthen what it considers the "largest opposition party among us," to "confront the situation with which we are faced." The PCB believes that the PMDB can help it in its struggle but, at the same time, declares that "it does not enter our head that the PMDB is fighting for socialism."

The PCB reiterated that "it is not against the small parties because they are part of the single front. At the present time, however, they are divisionists. Our question is not being against Lula, or against Brizola or against Alceu Collares. It is that in the midst of the current electoral process, they are acting as a sort of substate of the PDS." With regard to Lula, Giocondo Dias was clear: "He does not belong to the dominant class like Brizola. Lula is a worker and can even be our ally some day in the struggle that we yearn to wage against some plans."

#### Prestes Criticism of Brizola

Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 Sep 82 p 4

[Text] The former secretary general of the PCB, Luis Carlos Prestes, said yesterday at a press conference in the Commercial Association that he does not feel he is in a position to indicate any candidate for the governorship of Rio de Janeiro. He explained that he continues to view Brizola as the most representative figure of the opposition but stressed that he cannot assume the "personal responsibility" of supporting the candidate of the PDT "because he has not yet taken a firm, clear and precise position against the dictatorship."

In an interview he granted after visiting the Regional Electoral Court, Brizola said that he hoped Prestes "would evolve favorably" toward his candidacy. He stressed that the former PCB leader should "examine the records of the candidates in detail, the consistency of each one in the matter of their positions not only with regard to the dictatorship but to authoritarianism and everything that has happened during the past 18 years."

#### Candidates

Although he believes that Brizola "does not define his position sufficiently," Prestes said that he supports the candidates of the PDT for vice governor, Carci Ribeiro, and for senator, Roberto Saturnino. He also supports the PDT candidates for federal deputy, state deputy and councilman of Rio.

"He is an old member," explained Prestes, in announcing that his candidate for federal deputy is Jacques Dornellas. The former secretary general of the PCB will split his support between two candidates for state deputy: Afonso Celso, former deputy and also a communist member; and Eduardo Chuai, a former navy officer who in 1964 served in the Military Household of President Joao Goulart. For councilman, Prestes indicated another communist, Antonio Pereira da Silva Filho, former leader of the Bank Workers Union of Rio de Janeiro.

"A courtesy visit," was Brizola's explanation for the behind-closed-doors meeting he had yesterday afternoon with the president of the Regional Electoral Court, Justice Marcelo Santiago Costa. Later, the PDT candidate revealed that one of the topics of conversation was supervision to prevent fraud in vote-counting.

Indicated as the favorite by public opinion polls, Brizola belittled the PMDB candidate, Deputy Miro Teixeira, who had accused him of dividing the opposition. "I react to that accusation as I would react to a chigger bite, with a simple itch," said Brizola sarcastically, adding: "There is a big difference between us: he is in the valley and I am on the mountainside."

8711

CSO: 3342/9



## INAUGURATION OF ZUAZO DOES NOT WORRY ITAMARATY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Oct 82 p 8

[Text] The Figueiredo administration is not "particularly preoccupied" with the inauguration of President-Elect Hernan Siles Zuazo in Bolivia today. Officially, Itamaraty refuses to make comment "because it is an internal affair of Bolivia." However, in an informal manner various Brazilian diplomats agree in referring to the subject. They do not express any great concern.

Those diplomats know that Siles Zuazo is a politician of leftist learnings who led the Bolivian Revolution of 1952 together with Paz Estenssoro, a revolution aimed at producing profound social reforms in the country. They also know that unlike Paz, who went from left to right with the coming of age, Siles remains imbued with the same socialist principles which marked his political career.

Brazilian diplomats also are not unaware that Siles Zuazo arrives in power sponsored by a political front which includes the pro-Soviet Communist Party of Bolivia. They even go as far as to admit that Siles would like to institute in his new term in the presidency a program of social reforms of socialist type.

The only thing, say the Brazilian diplomats, is that it will probably not be possible. The economic, political and military situation will not allow it. Siles Zuazo declared while still in Lima that he will govern on the basis of "a war economy," which in some way should create problems for him with the workers, who are his political base. The president will find the country sunk in a serious crisis which could be well summarized with some figures: a 1200 percent devaluation of the Bolivian peso; a foreign debt of \$3.8 billion and servicing of the debt which should reach \$500 million by the end of the year, a sum which is equal to 65 percent of Bolivian exports.

Siles Zuazo's difficulties will not be any fewer in the political front. His most direct challengers in the election: Paz Estenssoro and Gen Hugo Banzer, will not give him their support in Congress, which means that Siles will rule with a minority.

The military front is also worrisome for Siles Zuazo. The majority of diplomatic analysts believe the military regime reached a phase of exhaustion, which is precisely what allowed the return of Siles. However, he is viewed with distrust in the military, part of which will always be tempted to carry out a coup to overthrow him. In Lima, his place of exile until Friday, Siles Zuazo said that he would like to return discipline to the military and bring them closer to the people. There is no doubt that a good part of the military did not like to hear that. They will resist, seeking to prevent Siles from carrying out his plans.

## ANTARCTIC EXPEDITION TO DEPART IN DECEMBER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Oct 82 p 24

[Text] The old dream of the Brazilian scientific community of exploring the Antarctic Region will begin to become a reality as of the second half of next December, when a team of researchers will go there on board the ship "Barao de Tefe," to promote oceanographic studies of marine biology and the meteorology and geology of the region.

The information was revealed by Minister of the Navy Maximiano da Fonseca in an interview with EMPRESA BRASILEIRA DE NOTICIAS (EBN), who added that the ship "Barao de Tefe"--formerly the "Taladan" (purchased in Denmark)--is being readied to depart from that country for Brazil, where it should arrive the first half of November. In addition to the "Barao de Tefe," the Brazilian expedition will also have the oceanographic ship "Professor Bernard" of Sao Paulo University, which will devote itself to research in Granfield Strait, west of the Antarctic Peninsula.

The voyage by the expedition puts into effect the Brazilian Antarctic Program, which has two main objectives: The first is to affirm the Brazilian presence in the international exploration of the region, which it is supposed holds a great economic potential of which Brazil will share a considerable amount, and the second is research on problems which affect or directly interest Brazilian territory and people, such as the formation of natural phenomena which determine the atmospheric and climatic conditions, the formation of marine currents which determine the fishing conditions in national waters, the great mineral reserves whose location and feasibility of exploitation has to be duly investigated.

Another great attraction there is the existence of abundant krill, a type of shrimp with a high protein content, and a large variety of fish and crustaceans. "Without a doubt," said the minister, "that expedition will have a great political, scientific and economic value, well worth all the efforts the Brazilian Government is making so that it may take place."

8908

CSO: 3342/17



## SMUGGLED WEAPONS SEIZED AT RIO AIRPORT BY POLICE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Oct 82 p 26

[Text] Federal Revenue agents yesterday seized a smuggled shipment of weapons consisting of weapons used exclusively by the armed forces at Galeao International Airport Customs. The shipment arrived in six suitcases on board Varig Flight 811 at 0610 from Miami. Without any identification, the suitcases held a total of 49 weapons, the majority military, including 13 rifles, 12 revolvers, 10 submachineguns, seven pistols, four pocket revolvers and three shotguns, in addition to a large amount of ammunition, a telescopic sight, a saber-type dagger and pocketknives. Among the few pieces of clothing was found a military camouflage jacket, and a copy of the American magazine EAGLE, which specializes in military actions and guerrilla tactics, with explanations on the operation of various weapons, including photographs of some of those which were seized.

The Federal Police are going to begin an investigation to find those responsible for the smuggled shipment and its destination. Investigations will begin with the 169 passengers traveling on the Varig DC-10, a list of whom has already been requested from the company.

The weapons, manufactured in the United States, Germany, Italy and Spain, were taken to the Federal Police Department warehouse where an examination was made and then they were sent to the 1st Army Military Region. In the list provided by the Federal Revenues supervisor on duty at Galeao Airport, Helomir de Azevedo, the weapons were categorized as being of the Winchester, Smith-Wesson, Magnum, Colt, Luger and Astra brands, and of 9mm and 22, 38 and 45 calibers, among others. The chief Federal Revenue inspector at the airport, Emerson Sodre Mendes, could not explain details on the anonymous tip he received the night before last on the arrival of the smuggled shipment. However, Supervisor Helomir de Azevedo explained that this type of tip is frequently made in the majority of cases for the purpose of attracting the attention of the agents to a certain flight while the contraband goes out by another.

The chief of the Repression Group, Ebi Gueiros, who found the abandoned suitcases with the weapons on three baggage-carrying carts, two on each, had already seen two suspected passengers but he could not describe them because they melted into the midst of the other passengers when they noted they were being watched.

According to Ebi, there were three men, each with a baggage-carrying cart and wearing sports clothing. He says he believes that he would not be able to recognize them because his attention was fixed on the suitcases, "all of which appeared to be very heavy considering the effort made by their owners when they removed them from the conveyor." Ebi Gueiros said this is the way the majority of smuggled goods are discovered. "Those passengers were acting suspiciously, but we never look much at the face of the person but remain with our eyes fixed on the baggage. When the passenger tries to pass through the counters with his bags --which we never lose from sight--we make the inspection and seizure of the merchandise if it classifies as contraband. The persons who brought those weapons certainly did not want to take the risk after they noted we were watching them and they preferred to abandon the suitcases at customs."

8908

CSO: 3342/17

## INCREASE IN TRADE WITH EAST EUROPE FORESEEN

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Oct 82 p 30

[Text] The halt in imports of thousands of products decided upon recently by the Brazilian Government will not create difficulties for the increase in trade on the basis of bilateral agreements with countries of East Europe because Brazil will be able to change the direction of its purchases from one country to another of the different economic blocs. The information was provided yesterday in Rio by the chief of the Promotion and Market Department of the Foreign Trade Department (CACEX) of the Bank of Brazil, Jose Carlos Coimbra. The purchase of suspended items can also be authorized "when in the exclusive opinion of CACEX it is a matter of an import which is of interest to the Brazilian export policy," according to the terms of Communique No 26 issued by that agency.

The government, by all means and forms, is adopting measures to expand trade with other countries, even creating mechanisms which are more adapted to the present situation, but, according to Jose Carlos Coimbra, the basic work will undoubtedly be within the purview of private enterprise. Private enterprise will have the great role in foreign trade, promoting national products in the search for new markets and the expansion of others.

## Surplus

Speaking at the symposium on East Europe held yesterday in Rio, Jose Carlos recalled that the Brazilian balance of trade with the countries of that area has been accumulating a chronic surplus in favor of Brazil, which left the country in an uncomfortable situation because the policy adopted by them is that of a bilateral balance in trade. In 1976 the favorable balance for Brazil was \$843 million of a total in trade of \$1.35 billion. This tendency has been intensified, and in 1981 reached a surplus of \$1.5 billion. Within the period analyzed--1976 to 1981--Brazil showed an accumulated amount of \$5.7 billion for an overall trade of \$8.56 billion. The main East European trading partners of Brazil in 1981, according to Jose Carlos Coimbra, were the USSR (32.17 percent), Poland (29.08 percent) and the GDR (10.44 percent). The three countries were responsible for 71.6 percent of trade with that economic block last year.

Jose Carlos also explained to those attending the symposium that trade and payment agreements, very common in trade with the countries of CEMA [Council for Mutual Economic Assistance] (GDR, Bulgaria, Hungary, Poland, Romania, Czechoslovakia, USSR and Yugoslavia) and the rest of the world, function by means of an accounting bookkeeping of trade and financial exchanges. The sums presented, in addition to previously agreed upon limits, are paid by common agreement between the intervening central banks.

With respect to Brazil, according to Jose Carlos Coimbra, there are in existence agreements with the GDR, Hungary, Bulgaria, Poland and Romania, payments with Czechoslovakia, the USSR and Yugoslavia being handled by a system of agreements in freely convertible currency.

Balança Comercial da Europa Oriental						
Janeiro/Julho (1)						
(US\$ 1.000 FOB)						
Pais (2)	1982 (3)			1981		
	Exp.	Imp.	Saldo	Exp.	Imp.	Saldo
Albânia	417	—	417	275	—	275
Alemanha Oriental (4)	10.144	48.520	55.624	76.221	38.358	37.863
Bulgária	10.774	202	10.572	1.743	—	1.743
Hungria	83.619	4.294	79.325	84.065	5.536	78.529
Polónia	89.452	57.916	31.536	278.225	37.672	240.553
Roménia	15.313	26.354	11.041	81.311	18.576	62.735
Checoslováquia	53.229	12.196	41.033	83.808	16.364	67.444
URSS	348.143	102.110	246.033	490.772	8.697	482.075
Total	705.091	251.592	453.499	1.096.420	125.203	971.217
Fonte: Cacex (5)						

Key:

1. East Europe Trade Balance January/July
2. Country
3. Difference
4. GDR
5. Source: CACEX

### East Europe Requires a Special Strategy

The East Europe market is extremely difficult and the decisions of its official agencies as of the offer of a product take up to 6 months, which requires fast sure and advanced action by the Brazilian businessman to insure the success of his venture.

The warning was made yesterday in Rio by the vice president of the "Business International" organization for East Europe, Kurt Neubauer, during the symposium on East Europe being held in Rio. For him, despite the bureaucratic and political aspects of the nations of that economic bloc, it is a matter of a market in which Brazil has good opportunities because East Europe has a large and permanent need for buying merchandise produced in the West.

Negotiations for placing merchandise in East Europe, according to Kurt Neubauer, require a redoubled effort, not only because of the difficulties of the international market, but because of the somewhat secret policy of the countries of that economic bloc, where information is extremely limited.

The countries of the economic bloc annually prepare and approve a rigid plan for their imports and exports, which becomes the best kept secret of state. Kurt Neubauer pointed out that nothing is revealed or commented upon about this plan because, according to the authorities, it would cause speculation in prices and many difficulties for trade. The exporter who persists in obtaining information beyond that which is provided is considered as an unsuitable source. In countries of East Europe there are known cases of imprisonment of government officials, who have been accused of leaking information considered a secret by the state, said Kurt Neubauer.

Even with the delay in decisions by official agencies of these countries, according to Kurt Neubauer, there is a favorable aspect for exporters. There is a single agency in each country, best known by the initials FTO (state trade enterprise), which decides on foreign negotiations, facilitating sales as well as purchases.

For all those reasons, observed Kurt Neubauer, the Brazilian exporter has to be very creative in negotiating with East Europe, especially by now when there is a great tendency to use the barter system (exchange of merchandise). In this respect he cited the case of the German company Mercedes-Benz, which wanted to sell utility vehicles to Romania, but Romania could only pay for them in tractors. The Germans thought it over considerably and so as not to lose access to the Romanian market, they agreed to the transaction. However, they were not able to sell the tractors on the European market and sold them to Ecuador, which had no other means for paying them except with bananas. The Germans could not then barter for the bananas either and wound up by eating them, giving three bananas as dessert at each meal to the workers of Mercedes-Benz.

8908

CSO: 3342/17

## EMBRAER EXPORTS TO TOTAL \$120 MILLION IN 1982

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Oct 82 p 34

[Text] EMBRAER [Brazilian Aeronautics Company] President, Gen Osires Silva, said yesterday that company exports should total \$120 million this year and that in 1983 he expects an increase of 20 percent of that total, obtaining at least \$140 million through the sale of aircraft. Next year's goal depends only on the next GATT meeting, at which time the tariffs and subsidies by the Brazilian Government will be reexamined, according to the president of EMBRAER.

In a discussion at the symposium on Technology, Exports and Business, Osires Silva said that the North American trade law is extremely unfair toward developing countries because through that law it is possible to classify any product entering American territory as subsidized.

He said that his own North American customers made some very favorable statements about EMBRAER in the dispute with Fairchild, helping the Brazilian company greatly. EMBRAER now has 46 agents for the sale of aircraft throughout the world and seeks to have 180 agents. With three world centers for stocking parts (Brazil, Fort Lauderdale and Le Bourget), support and maintenance, it managed to transform this sector into another profitable branch of the company, giving its clients all guarantees and technical assistance.

Osires Silva is not pessimistic about prospects for next year. He says that the crisis is not likely to strike everyone at the same time. Therefore, it can be perfectly understood as an average. In his opinion, it is therefore desirable to seek by every means possible, specifically using the talents of each individual, those means by which the company can maintain itself above that average, which means survival despite a difficult situation. According to Osires Silva, it is important to understand that the process is not automatic. The important thing is not to retreat nor accept the average (or the crisis) and find in it the justifications for your own shortcomings.

As a recommendation for overcoming the crisis, Gen Osires Silva listed the following suggestions: Maintain the spirit of enterprise and the organization in activity in the most dynamic form possible and select the areas and points which experience indicates will provide greater success with the least expenditure of energy and effort.



## OPPOSITION VOICED TO COLLECTIVE AIR DEFENSE

Brasilia CORREIO BRAZILIENSE in Portuguese 17 Oct 82 p 10

[Article by Flavia Morais: "Brazil and Argentina Against Collective Defense System"]

[Text] The 1st Symposium on Continental Air Defense held this week in Brasilia gathered together several American countries and made at least two basic points very clear with respect to the aerial defense of the continent: Its vulnerability and the consequent concern by the United States in neutralizing this fragility, and the fact that a significant number of countries do not agree on a possible integration of a continental air defense system.

The holding of the symposium was the result of a proposal by the United States that discussion be held on the viability of a joint air defense which could neutralize a possible aggression by the main potential enemies: Cuba and the Soviet Union. All that is based on document C-0418 titled "Basis for Planning Collective Air Defense of the Continent," prepared by the Interamerican Defense Board (IADB) in 1979.

According to the document, "The Soviet Union, Cuba and any other similar country, are the greatest threat to the security of the continent, a threat which ranges from an attack by nuclear and ballistic missiles to those by conventional means." It is also stated that Cuba due to its geographical location "is the one which presents the greatest possibilities of threat because of its proximity to the member countries of the System of Cooperation Among American Air Forces, and which although it has a considerable number of combat aircraft, apparently for defensive purposes, could use them for offensive actions."

To counter a possible attack, the IADB thought it best to determine new strategic air defense areas for the American Continent: The United States and the Great Lakes Region, the Southern Zone of North America, Central American (Panama Canal) and the Caribbean Zone; the oil and industrial region of Venezuela; the north-eastern region of Brazil, Sao Paulo, Rio de Janeiro and Belo Horizonte; The Plate River Region; the southern zone of South America and the maritime areas included in the security zone stipulated in Article 4 of the Inter-American Reciprocal Assistance Treaty.



The document proposes that due to the prohibitive cost and the lack of profitability of the organization of a complete defense against nuclear attacks, that emphasis be made, as it is in the United States, on offensive deterrent forces, providing tactical alert, reducing damage to strategic reprisal forces to a minimum, maintaining surveillance of accesses to airspace, alerting on attacks against space systems and providing research and development for determining future requirements for defense and improving conditions for survival in case of a nuclear war.

Actually the fragility of continental air defense is obvious, with the exception of the United States and Canada, since both of them by themselves have practically the same number of aircraft for interception and attack as do the rest of the American countries. Moreover, they have a network of military radars, which watch and control their airspace, a system without equal in the Americas.

The Brazilian Air Force, FAB, despite its military and aircraft industry in full development, believes its potential is barely ordinary when compared with the air forces of other countries. Meanwhile, a few years ago, it began to install its Integrated Air Defense and Air Traffic Control System (SINDACTA) with French technology, initially covering the areas of Sao Paulo, Rio de Janeiro, Brasilia and Belo Horizonte, coincidentally one of the nine continental strategic air defense regions stipulated in the IADB document.

Brazil made it clear, however, that it does not approve the installation of an integrated continental air defense. The chief of the Brazilian delegation to the symposium, Brigadier Joao Soares Nunes, commander of the Brazilian Air Defense Command Center, declared that the system is "difficult to put into practice in a short period due to the economic-financial situation of Latin American countries." He also believed that it is not a priority matter since there is no flagrant threat of war.

A similar position was adopted by Argentina when it stated that since the criterion for the analysis in the document of the IADB is based on the concept of total war its difficult to think about the integration of a continental air defense system "completely out of the possibilities of American countries with the exception of the United States."

At any rate, the Continental Air Defense Symposium was not conclusive, the questions raised now being sent to the next Conference of Chiefs of American Air Forces (CONJEFAMER), which will be held next year in Panama, where very probably the conclusion will be reached that the project is not feasible. On the other hand, there could perhaps be bilateral agreements among friendly countries.

8908

CSO: 3342/17

## FOREIGN INVESTMENTS UP ONLY 1.85 PERCENT THROUGH JUNE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Oct 82 p 26

[Text] Brasilia--At the end of the first 6 months of this year, total foreign investments and reinvestments in Brazil amounted to \$19.6 billion (3.8 trillion cruzeiros at the exchange rate in effect last June), for an increase of only 1.85 percent over December 1981, according to a statement yesterday by the Central Bank. The bank bases its data on the certificates issued by its Department of Supervision and Registration of Foreign Capital (FIRCE).

The actual amount of risk capital totaled \$13.95 billion through last June following the 6-month increase of \$423.15 million. But the balance of reinvestments fell from \$5.71 billion in December 1981 to \$5.65 billion last June--a drop of over \$60 million due to devaluations of the currencies of the investing countries in terms of the U.S. dollar.

The increase of only 1.85 percent in the entry of direct investments during the first half of the year confirms that the Central Bank's initial expectation of \$1.9 billion for this year will not be met. The flow of risk capital also reflects the preference by foreign investors for investing their funds in the international financial market because of the high interest rates that have prevailed over the past 3 years.

A breakdown of investments by country of origin shows that the United States accounts for 31.02 percent of the total, compared to 29.99 percent in December 1981. The balance for the United States totaled \$6.08 billion at the end of June. The actual inflow reached an accumulated total of \$3.91 billion, while reinvestments totaled \$2.17 billion.

The principal countries with investments and reinvestments in Brazil are the following: FRG: \$2.71 billion; Switzerland: \$1.8 billion; Japan: \$1.86 billion; United Kingdom: \$977.31 million; and Canada: \$931.72 million. Those figures represent the amount invested in Brazil as of the end of the first half of this year.

A breakdown by sector of activity shows that 74 percent of the risk capital is still concentrated in the processing industry (\$14.51 billion as of last June). Foreign investment in the service sector totaled \$3.94 billion, in the extractive industry \$551.21 million, in public utilities \$48.41 million, and in

agriculture \$126.87 million, while all other activities have received a total of \$423.69 million in foreign risk capital.

Foreign Investment and Reinvestment in Brazil

Position as of end of period*	Equivalent in millions of U.S. dollars		
	Dec 81	Mar 82	Jun 82
<u>Description</u>			
Investments	13,533	13,680	13,955
Reinvestments	5,714	5,552	5,647
Total	19,247	19,232	19,602

\* Currencies converted to dollars at the rates in effect on the last day of each period.

11798

CSO: 3342/16

## ARMED FORCES RECEIVE PROVING GROUND SITE IN PARA

Rio de Janeiro JORNAL DO BRASIL in Portuguese 27 Sep 82 p 5

[Text] Brasilia--Last week the army, navy and air force received a special area for practice of medium- and long-range firing and, especially, for testing materiel which for the first time the nation is trying to make with its own technology: long-range rockets and missiles (the "Piranha" being developed at the Aerospace Technology Center will enter the testing phase within 1 year).

It would be just another area for military exercises were it not for its size and the problems related to its installation. According to presidential decree, this new proving ground, to be operated by the EMFA [Armed Forces General Staff], will have an area of 3,907,000 hectares--bigger than the state of Alagoas and a little smaller than the state of Rio de Janeiro--and will be located in southern Para.

## Inhabited Area

In 1979 the Armed Forces General Staff reserved an area in southern Para of 4 million hectares for the same purpose. It was to be a proving ground for the three armed forces, under the direct administration of the Air Ministry. At that time and still now, any nuclear objectives in the region have been denied. "Atomic bomb testing there? Impossible," an official immediately shot back. "Brazil is a peaceful country; it has no plans for making nuclear bombs," argued another general officer.

It was confirmed only that the field will be used for testing long-range rockets and missiles and probably for tracking satellites. The initial 4,407,000-hectare site reserved for the armed forces proving ground in 1979, located in south-central Para and encompassing the Cachimbo and Gorotide areas, was replaced by this 3,907,000-hectare tract located to the west of the first one. This is because, while demarcating it, the area was found to be rather well populated, which would have made expropriation difficult.

Besides the proving ground in Para, the three armed forces have others scattered throughout the country near their major operational units, which will not be deactivated as a result of creating a jointly-operated field.

The army now has three large firing ranges, located in Marambaia and Gericino in Rio de Janeiro (Vila Militar) and Formosa, Goias. Other fields used are:

Juiz de Fora, used by the 4th Military Region; Rincao (Sao Borja), used by the Mechanized Cavalry Regiment; Sao Jeronimo, Rio Grande do Sul, used by army and air force units; Santa Maria, Rio Grande do Sul, of the 3d Army Division and Tres Barras, Santa Catarina--there are no units installed close by, so the field is available for any eventuality, the same being the case with Pau D'Alho, Pernambuco, and Saican, Rio Grande do Sul.

The air force and navy have fewer firing ranges. The FAB [Brazilian Air Force] has one in Natal and others in Fortaleza (in Aquiraz municipality, used by the 1st and 4th Aviation Group); in Rio Grande do Sul it has the Butia field used by the 1st Squadron of the 14th and the 3rd Squadron of the 10th Aviation Group. In Rio de Janeiro it uses the army's Marambaia coastal ridge.

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CSO: 3342/8

## IBGE NOTES CONTINUED RECOVERY IN INDUSTRIAL PRODUCTION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Oct 82 p 27

[Text] Rio de Janeiro--The country's industrial production is continuing to recover, since the index for the period from January through August stands at -1.33 in comparison with the same period last year. Although negative, that index shows that the economy is reviving, since the index for January-August 1981 was down 12 percent in comparison with January-August 1980. In terms of the indicator for the 12 months ending in August, the index shows a drop of 7.07 percent in industrial production, with the processing industry down by 7.48 percent and the extractive industry up by 7.05 percent.

According to the IBGE [Brazilian Institute of Geography and Statistics] Foundation, the highest performance rates are observed in the month of August, both in the monthly indicator (August 1982 compared to August 1981) and in the fixed base. In the first case, the rise in the general indicator was 6.55 percent, while in the second, the change for August based on the 1981 average reached 8.68 percent, a level not observed since November 1980.

## New System

The IBGE Foundation also recalls that the business-cycle indicators are calculated according to the old methodology, since the new system (which had the effect of reducing the decline in last year's GDP from -3.5 percent to 1.9 percent) is still in the process of being adopted.

Between July and August of this year, the cumulative indicator for the processing industry rose by 1.38 percent, going from 96.99 percent to 98.37 percent. In the case of industrial goods, only nonmetallic minerals did not show the same behavior, since their rate dropped from 98.30 percent to 98.26 percent. In the case of the other goods, the increases having the greatest influence on the processing industry's overall performance are as follows, in descending order: metallurgy (from -4.82 percent to 2.63 percent), transportation equipment (from -3.97 percent to -1.3 percent), and food products (from 2.78 percent to 1.56 percent), which account for 51 percent of the change in the overall indicator between July and August.

By use category, the outstanding increase is the 3 percent represented by durable consumer goods, which improved chiefly due to sales of automobiles and

color TV sets. The production of nondurable consumer goods, which since the end of the first half of the year has stayed at the same level as the year before, showed an increase of 0.69 percent for the period from January through August of this year. The outstanding performers were cotton cloth and knit blouses and shirts.

The rate of decline in the sector of intermediate goods--which in combination with nondurable consumer goods practically determines the average rate for the processing industry--is slowing down as the months pass. From January through August, it reached a rate of -1.03 percent. During the first 8 months of 1982, the production of capital goods was 14.58 percent lower than during the same period in 1981 and 22.87 percent below the level recorded for the period from January through August in 1980.

#### Monthly Indicators for August 1982

Indicator, sector, and use category	Cumulative Jan-Aug	12 months ending	Average 1981:100	August 1981:100	July 1982:100
		Aug 1982			
General indicator	98.67	92.93	108.68	106.55	101.50
Mineral extraction	108.77	107.05	113.73	108.46	98.11
Processing industry	98.37	92.52	108.53	106.50	101.60
Capital goods	85.42	77.42	102.37	106.98	106.52
Intermediate goods	98.97	93.02	111.26	106.31	100.30
Consumer goods	101.04	96.41	106.40	107.23	101.68
Durables	103.00	85.77	116.21	118.76	110.01
Nondurables	100.69	98.28	104.67	105.30	100.19

11798

CSO: 3342/16



## REPORTAGE ON GROWING ARMS INDUSTRY; FIGUEIREDO COMMENTS

## Arms Sales May Increase

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Oct 82 p 6

[Text] Brasilia--Specialists in arms policy believe there is a real possibility that Brazilian arms exports, which currently total about \$1 billion, will double in 1983. The growth in exports due to the winning of new markets is attributed primarily to two factors: the good supply terms offered by Brazil, which is now capable of producing everything in the way of arms except those requiring very advanced technology, and the heavy demand on the international market.

The armored vehicles manufactured by ENGESA [Specialized Engineers, Inc] continue to be the best sellers with a guaranteed market in the Middle East, which is our biggest customer, while Ordnance Industry (IMBEL) will gradually pull out of its slump and come up with new export contracts, chiefly with South American countries. Its biggest seller is the Light Automatic Rifle (FAL).

But Brazilian sales are still dependent on political factors, and the commercial pragmatism that prevails in the case of other products does not always apply to war materiel, the export of which depends a great deal on decisions by Itamaraty [Brazilian Ministry of Foreign Affairs]. This is true in the case of Guyana, which wants to acquire Bandeirante aircraft and light armament. Because of the dispute between Venezuela and Guyana over the Essequibo River region, any sales would have to be approved by Itamaraty.

## Industry

The list of products currently exported by Brazil is being diversified, but the chief new item will not be available until sometime within the next 5 years. It is the first tracked tank to be produced entirely in Brazil. ENGESA will produce it to meet the needs of the Brazilian Army. Weighing 40 tons, its design has been completed, and it will be among the most modern in the world.

Until the new tank becomes available, the army will continue to use its M-41 tanks, which are being refitted with 90mm guns and new engines. These are American-made tanks dating from World War II, but they are still in good condition and still perform well. Brazil is not interested in exporting refitted tanks to other countries.

## Arms Industry Growing

Brasilia CORREIO BRAZILIENSE in Portuguese 26 Sep 82 p 17

[Article by Walter Sotomayor]

[Text] Few industrial sectors in Brazil can afford the luxury of announcing an annual growth rate of around 35 percent at a time when most factories have reduced their production levels because of the worldwide economic recession. The Brazilian arms industry is growing at an accelerated pace despite the recession, and it is exceptional because it is maintaining its growth rate thanks to exports.

Brazil's arms industry will end 1982 with exports of \$1.6 billion, and that figure may surpass \$2 billion in 1983. Brazil sells other countries everything from basic troop equipment, light and heavy weapons, tanks, missiles, small coastal patrol vessels, and aircraft to ammunition for weapons produced by other countries.

The development of Brazilian industry, the opening up of the market for conventional weapons, and even the policy adopted by the Brazilian Armed Forces, which calls for reducing our dependence on supplies from abroad, have helped over the past decade to make the Brazilian arms industry into something viable.

It is already the largest in the Third World and the sixth largest in the world arms trade, although its billings are only a grain of sand in that trade, which is estimated to total over \$600 billion.

Although Brazil's arms industry is very small in comparison with that of the industrialized countries, it supplies arms to the Third-World countries. Brazil has already sold some kind of arms to almost every country in Latin America, some countries in Africa and the Middle East, and a few industrialized countries, and it shows promise of also delivering to the promising Chinese market.

This new trade has begun to cause concern, especially to the U.S. Government, because to some extent it also means a reordering of the game of alliances among developing countries and obviously diminishes the control that the United States or other industrialized countries might exercise over the explosive Third World.

The war being imagined by the superpowers in the nuclear field is still a war on paper, since with the exception of Hiroshima and Nagasaki, there has never been a nuclear explosion for punitive purposes. What we do see--in abundance--are localized wars, generally between poor countries, in which there is extensive use of conventional weapons.

The Brazilians will attempt in the 1980's to master the technology they still import and will try to develop it here at home as part of a strategy aimed at modernizing the military industrial pool.

The effects of that industry's existence on international relations still lie ahead, but its presence constitutes a new element in the analysis of future Brazilian diplomacy that it will be impossible to disregard from now on.

#### Figueiredo: Brazil Will Sell Arms

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Oct 82 p 7

[Text] "Let them complain. I sell to anyone who is willing. In the first place, am I selling only because the newspapers said so? Besides, I sell to anyone who is willing." That was President Figueiredo's reaction yesterday in Natal to a question concerning the reaction by Venezuelan political sectors to the sale of Brazilian military equipment to Guyana.

In Brasilia, however, government sources preferred not to comment on the possible arms sale, since it is not Brazil's policy "to express itself on this matter." But they called attention to the "emphatic statement" by President Burnham during the press conference he had held in the city shortly before returning to his country.

The president of Guyana had said that his country is not buying weapons from Brazil. And in the Figueiredo administration's view, that is the statement that "must prevail," precisely because it was made by the highest source in the Guyanese Government. Brazilian officials have read the reports by international press agencies that were sent from Georgetown and published in the Brazilian press yesterday. Those reports confirmed the arms sale based on "Guyanese sources."

The sources were not identified, and that was another detail attracting the attention of Brazilian officials. Some sources in Brasilia said that they understood the effort being made by sectors in Guyana to present President Burnham's visit as a good opportunity for that country to exchange information with an important partner in the area. But at no time, either directly or indirectly, was the visiting president told that Brazil supports his country's position on the Essequibo problem.

Venezuela claims two-thirds of Guyana's territory, and what Brazil supports ("and it has said so repeatedly") is a peaceful solution. "The formula must be found by Venezuela and Guyana, since they are the two parties concerned." Venezuela has proposed direct negotiations with Guyana, but Burnham's government prefers to go to the International Court of Justice in The Hague. At the moment, the problem is in the hands of UN Secretary General Perez de Cuellar.

According to a government source, Itamaraty "is sure that Venezuela understands the Brazilian position perfectly," since it was expressed and repeated during the meeting in Rio de Janeiro between the foreign ministers of the two countries, Ramiro Saraiva Guerrero and Jose Alberto Zambrano Velasco. The source said that Brazil's position is one of "strict neutrality" and that it was repeated "all down the line" to President Burnham and his delegation.

11798

CSO: 3342/10

## AGRICULTURAL DELEGATION RETURNS FROM EAST EUROPE

Brasilia CORREIO BRAZILIENSE in Portuguese 25 Sep 82 p 9

[Text] The Soviet mission that will come to Brazil to observe the sanitary condition of our herds and the meat processing and production system with a view to future purchases will arrive in Brazil on the 30th. Another mission, this one to observe Brazil's zebu herds with a view to buying livestock on the hoof, will come later.

That was announced yesterday by Ubirajara Timm, secretary general of the Ministry of Agriculture, on his return from a 15-day visit to various East European countries as well as Great Britain and France. Timm headed a mission made up of government experts and private businessmen connected with the exporting of farm products. It was the first mission to visit Communist countries for the purpose of increasing trade relations with those countries. Timm visited the two Germanies, Hungary, Czechoslovakia, and the Soviet Union.

The secretary general explained that his mission was not commercial in nature: it was concerned with maintaining contacts and studying markets as instructed by Minister Amaury Stabile. Even so, the fact that he was accompanied by a delegation from the UNEF (National Union of Chicken Exporters) meant that Timm witnessed negotiations with the Soviet Union (involving a purchase of \$50 million) and Iraq. The negotiations with Iraq took place in London and resulted in the purchase of \$150 million worth of Brazilian chicken over a year's time, with the first shipments to be made this month. In Germany, he learned that 5 million marks (about 400 million cruzeiros) had been made available for EMBRAPA (Brazilian Agriculture and Livestock Research Enterprise), CIBRAZEM (Brazilian Warehousing Company), and PROVARZEAS (National Program for Irrigated and Systematized Floodplains). The money is to be made available next month, and it will be used in programs for developing technology and the storage and preservation of fruit, especially apples, the processing of apple juice, and other PROVARZEAS projects.

Timm also emphasized that in all the countries he visited and in all his contacts with government authorities, he noted that all of them were greatly interested in the development of Brazilian agriculture and stockraising. According to Timm, an important feature was the interest those countries have in PROVARZEAS and the constantly repeated statement that because it has the land, the climate, and the manpower, Brazil is viewed by those countries as having

all the necessary conditions for being one of the world's biggest producers and suppliers of foodstuffs.

Timm also held talks concerned with technology. EMBRAP is currently the Southern Hemisphere's largest enterprise for research in the field of tropical agriculture. And there is an interest in the exporting of Brazilian technology, with great receptiveness to that project being noted.

The party headed by the Ministry of Agriculture's secretary general also visited several research centers, including one concerned with the use of nuclear energy in food preservation and with research into the effects of radioactivity on humans. It also visited a center engaged in research concerning the removal of bovine embryos from cows without surgery. A cow normally produces 12 young during its useful life, but according to the research already done, the process in question would make it possible to increase that number to 280.

11798

CSO: 3342/10

## VIOLENCE MARKS CANECUTTERS STRIKE IN RIO GRANDE DO NORTE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Oct 82 p 29

[Text] Yesterday was the third day of the canecutters strike in Rio Grande do Norte, and it was marked by a number of violent actions on the part of heavily armed thugs and relatives of the landowners. In Ceara Mirim, 33 kilometers north of Natal, the son of cane supplier Manuel Dantas Barreto attacked Nivarde Gomes de Menezes, attorney for the Rio Grande do Norte Farmworkers Federation [FETARN], and then drove a mechanical cane harvester over the union's vehicle, crushing it completely.

On the Limoal Plantation in Goianinha, 60 kilometers from Natal, thugs hired by the owner illegally seized Otacilio Gonzaga and Josefa Martins Reis, local union officials, after the latter had met with the workers. On the Prata Plantation in the same municipality, thugs armed with rifles surrounded a union automobile, searched the union officials, and took away their megaphone. One official, Maria de Lurdes, had to be treated at a hospital.

Union leaders denounced the presence of military police, who were taking action to repress the strike movement. The strike was called in accordance with the law.

Jose Francisco da Silva, chairman of the National Farmworkers Confederation (CONTAG), was in Natal keeping tabs on the strike, and he condemned the conduct of the mill owners. Union leaders in Paraiba and Pernambuco also sent observers to Natal.

Francisco Urbano, one of FETARN's directors, estimates that 90 percent of the 30,000 canecutters joined the strike. That figure is challenged by the employers.

Judge Jose Ajuricaba, presiding judge of the TRT [Regional Labor Court], was in Natal but succeeded in working out an agreement only between the unions and the Ceara Mirim Valley Sugar Company, whose chairman is Deputy Governor Geraldo Melo. No other mill owner took part in the talks.

That isolated agreement establishes a minimum wage of 25,000 cruzeiros (the strikers wanted 30,000) and provides a job classification schedule. The strikers relinquished permanent tenure for pregnant female employees.

Roberto Toshio Huriguti, chairman of the State of Sao Paulo Farmworkers Federation, sent a message expressing his solidarity with the strikers.



## STRIKE OF RURAL WORKERS ENDS IN PERNAMBUCO

Rio de Janeiro O GLOBO in Portuguese 28 Sep 82 p 7

[Text] Recife--The strike of about 250,000 rural workers in the Pernambuco sugar-growing region, which began Saturday, ended yesterday [Monday]. The Regional Labor Court (TRT) finished hearing the collective grievance at 0200 hours, meeting the major demands of the workers.

The TRT set the minimum wage at 28,200 cruzeiros [monthly?], although the workers had asked for 29,601 cruzeiros. The court granted payment of the family allowance, health care, guaranteed employment for 2 months after childbirth and the right to cultivate their own ground--demands which the sugarmill owners had refused to negotiate.

About 7,000 plantations that provide cane for 35 sugar and alcohol mills and 5 independent distilleries were partially shut down Saturday; yesterday many workers worked only during the afternoon, after participating in meetings held by 45 local labor unions in the 50 municipalities of the region to learn about the grievance decision.

Rural labor leaders of the Pernambuco Farmworkers Federation (FETAPE) and the National Farmworkers Confederation (CONTAG) considered the TRT decision a victory.

Jose Rodrigues da Silva, FETAPE president, noted that, besides agreeing to the major items, the TRT accepted almost completely the proposal of the workers regarding price regulations for cutting loose cane.

"The court set the price of cutting loose cane at 50 percent of the price per ton of tied cane," he explained. The workers wanted 70 percent of the bundled price, on either a piecework or tonnage basis, whereas the employers proposed that this type of work be paid at prices negotiated on the spot, directly between the workers and management. Under that system of payment, however, cane cutters were being exploited and had no access to legal counsel.

In regard to the family allowance and health care, the mill owners argued that these benefits should be demanded of the Social Security system, but the TRT agreed with the FETAPE position that labor demands must be made directly to the employers and the latter can negotiate with the government regarding form of payment.



In Brasilia, CONTAG said the TRT ratified rights granted previously by the same court in regard to a uniform minimum wage, health care, sharecropping rights, union representation on the plantation and scales and metal measuring tapes controlled and supervised by the National Institute of Weights and Measures.

8834

CSO: 3342/8

## IBGE PRELIMINARY CROP FORECASTS; WHEAT IMPORTS DOWN

## Gloomy Forecast

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Oct 82 p 22

[Text] Preliminary IBGE [Brazilian Institute of Geography and Statistics] data indicate that agricultural output could fall 4.8 percent this year, compared with 1981, which would make GDP [Gross Domestic Product] likely to fall, even though the sector does not have much weight in the national accounts. According to the same source, furthermore, crop production would fall 5.39 percent, whereas last year it grew 8.7 percent. For livestock, a decline of 3.3 percent is expected, after a 5.76 percent increase in 1981. It will be recalled that the sector's total output increased 10.76 percent last year, much more than in 1980, when its growth rate had been 6.8 percent.

It is interesting to note that the various forecasts announced throughout the year revealed a growing pessimism. In February the Production Financing Commission was predicting a grain crop of over 56 million tons, revised downward to 55 million tons in May. In June, the Getulio Vargas Foundation [FGV] reported the most realistic figure, which is now being confirmed, since most of the harvesting is now completed: 51 million tons, a figure almost equal to the latest one from the IBGE (50.6 million tons).

Although it is still too early for us to analyze precisely the main causes of this result, it is possible to mention factors that certainly weigh heavily in its determination. In terms of crops, the decline of nearly 51 percent in coffee production is one of the most important reasons, given the weight of this crop (20.2 percent) in the aggregate output of the sector. Soybeans likewise were affected this year, with a likely crop of 12.8 million tons compared with 14.97 million last year.

In regard to planted area, developments are also disturbing, as only crops of less economic significance had increases this year, other than wheat. Meanwhile, major crops such as coffee, soybeans and rice reported declines. The only two major crops to register increases were corn and beans.

The performance of poultry and livestock may be positive, but insufficient to make up for lower crop output. In this regard, it is possible that producers in general feel little incentive for next year, especially with the difficulty of

obtaining operating credit, release of which has been significantly delayed in recent weeks. Moreover, the withdrawal of subsidies, which is being done in an extremely slow fashion, is not accompanied by a price-guarantee plan for the producer, making doubtful the need to increase productivity.

Even though the government has decided to provide subsidized credit for investments in the sector, it is hard to expect an adequate response in terms of production, as input costs have risen systematically faster than farmers' income. Another factor making this year worse was the widespread decline in foreign-market prices, which directly affects the government's ability to make really compensatory adjustments in basic operating costs.

The first surveys of planting intentions for the 1982-83 crop year indicate little change in this set of circumstances. In its June forecast the FGV found almost no increase in yields, which leads directly to unchanged output, as incorporation of new crop areas is a process requiring a long development period. In sum, the likely results for this year show clearly where the distortions in current rural credit policy have led, a factor that can be controlled domestically by the government, thus minimizing the adverse impact from abroad.

#### Less American Wheat Imports

Rio de Janeiro O GLOBO in Portuguese 21 Aug 82 p 19

[Text] Brasilia--Next year Brazil will reduce imports of U.S. wheat by 55 percent. The volume of 3.3 million tons procured last year will fall to 1.5 million tons, worth about \$255 million.

According to Agriculture Ministry specialists, besides increased imports from Canada and renewal of wheat trade with Argentina, increased domestic production will help reduce imports of U.S. wheat. This year's output is estimated at 3 million tons, a 35-percent increase over last year.

Should this output be confirmed, the specialists assert that Brazil will save \$140 million in 1983. Another factor that may contribute to reducing imports is gradual removal of the subsidy, as "each year since the government began its policy of decontrolling wheat prices domestic consumption has fallen." In 1980 consumption was 7 million tons and this year it fell to 6.4 million tons.

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CSO: 3342/8

## BRIEFS

FIGUEIREDO TO VISIT AFRICA--The Brazilian ambassador to Guinea-Bissau, Raimundo Loyola de Castro, revealed in Lisbon yesterday that President Figueiredo plans to visit that African country next February. According to a dispatch from the Portuguese ANOP agency, datelined Bissau, during a visit to Nino Vieira, the president of that country, Loyola de Castro conveyed the wish of General Figueiredo to visit Guinea-Bissau. In Brasilia yesterday, the Foreign Ministry confirmed Figueiredo's intention of visiting Africa in February. Other countries where the president will stop are Nigeria, Senegal and the Ivory Coast. That idea had been expressed by the president himself during the press interview he granted on his official visit to the United States. Figueiredo said then that he had mentioned that possibility to President Ronald Reagan and that the latter had encouraged him to make the trip. The purpose of the presidential visit to Africa will be to politically consolidate Brazil's rapprochement with its number two diplomatic priority. The first is Latin America. The Brazilian Government continues to see good prospects in Africa in its need to expand exports to balance its balance of payments. Therefore, it intends to maintain and even intensify the policy adopted since the Geisel administration to draw closer to its "overseas neighbors." Foreign Minister Saraiva Guerreiro has already visited five countries in that area: Angola, Mozambique, Zambia, Tanzania and Zimbabwe. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Sep 82 p 5] 8711

ECUADOREAN PLANE PURCHASE--Brasilia--Although negotiations between Brazil and Ecuador are well underway, the Ecuadorean Government may not go ahead with the purchase of 14 Xavante planes from EMBRAER [Brazilian Aviation Company] (an order valued at \$40 million) because it is undergoing pressures and criticism from politicians and the press in that country. Negotiations for the sale of the 14 planes began almost a year ago and at the beginning were problematic: the Ecuadorean Government wanted Brazil to finance the down payment, something that the Foreign Trade Branch of the Bank of Brazil (CACEX) did not want to do but ended up agreeing to. At a second stage of the negotiations, the Ecuadorean Government also asked for a reduction of the interest rates, which was granted by CACEX. But now Ecuador is facing an economic crisis and the politicians and newspapers are questioning the need for the country to invest so much on planes for military purposes. The decision whether to purchase the Xavantes or not will be made next week. [Text] [Rio de Janeiro O GLOBO in Portuguese 26 Sep 82 p 34] 8711

CHILEAN PLANE PURCHASE--Brasilia--The chief of the general staff of the Chilean Air Force, General Carlos Desgroux, announced yesterday that Chile has ordered five Brasilia planes. The Brasilia will be the new transport plane of EMBRAER. With a capacity of 30 passengers, the plane can also be used for such military missions as troop transport. The Chilean general showed interest in the Tucano T-27 training plane, which has already gone into at EMBRAER, but pointed out that the Brasilia meets Chile's current needs better. Desgroux, who was decorated by the Brazilian Air Ministry mentioned the possibility of Chile ordering the work of rebuilding the runway of the Santiago Airport from Brazilian companies. During the ceremony when the Chilean general was decorated, the president of the Airports Company of Rio de Janeiro Inc (ARSA), Col Guilherme Rebello da Silva, said that the Brazilian companies will have the support of the Air Ministry in carrying out that project and mentioned the Andrade Gutierrez Company as one of the companies that might do it. The representative of the Andrade Gutierrez Company, Charif Rodrigues Daruyche, confirmed the possibility of the company executing the Santiago Airport project with special runway concrete technology, of German origin, already used by ARSA. [Text] [Rio de Janeiro O GLOBO in Portuguese 28 Sep 82 p 20] 8711

BRAZIL-NIGERIA TRADE--The Brazil-Nigeria Chamber of Commerce (BRAZNIGER) intends to reach a \$4 billion volume of trade between the two countries next year, through exchanging Nigerian oil for Brazilian manufactured products--already occurring on a small scale--freeing the two partners from spending foreign exchange, a system proposed by Planning Minister Delfim Neto and Finance Minister Ernane Galveas. For this purpose, BRAZNIGER will sponsor the First Conference on Brazil-Nigeria Trade on 28, 29 and 30 September in the grand ballroom of the National Law School. Businessmen and authorities from the two countries are expected to be present, including Ronaldo Mesquita, Rio de Janeiro State secretary of industry, commerce and tourism; Ruy Barreto, president of the Trade Associations of Brazil; and Laerte Setubal, former president of the Brazilian Exporters Association. Last year Brazil had a trade surplus with Nigeria, selling \$770 million of manufactured goods and buying \$728 million of Nigerian products, mostly oil. In the first half of this year Brazilians sold \$101,382,000 and bought \$163,726,000. If the BRAZNIGER goal is met it will represent an increase of over 400 percent in trade between the two countries. But Chamber President Jorge Brennand believes it is feasible through a system of exchanging oil for manufactured goods and services. Ronaldo Mesquita, Rio de Janeiro secretary of industry, commerce and tourism, believes Nigeria can acquire technology in Rio de Janeiro State, especially in information processing, shipbuilding and civil construction. Brazil-Nigeria trade will be the subject of an agreement to be signed between Rio de Janeiro and Lagos for reciprocal free trade between the two cities. [Text] [Rio de Janeiro O GLOBO in Portuguese 27 Sep 82 p 13] 8834

TRADE TALKS WITH HUNGARY--Budapest--Vice President Aureliano Chaves and Hungarian Deputy Premier Lajos Faluvegi yesterday began a series of talks concerned primarily with trade relations between the two countries. Although Hungarian imports from Brazil total 5 percent of that country's total purchases abroad, Brazilian imports represent only 0.5 percent of Hungary's sales to other countries. It is expected that a way of increasing that trade will be found. Last year, Hungary imported coffee, soybeans, and cocoa at a value of \$230 million, while Brazil acquired cranes, industrial instruments, and other

engineering products at a total value of only \$10 million. The visit by Aureliano Chaves--who is returning the visit made to Brazil a year ago by Lajos Baluvegi, during which a 3-year bilateral trade agreement was signed--may result in an expansion of that list of trade goods. Following the negotiations in Budapest, the Brazilian vice president will make semiofficial visits to Austria and the FRG. According to Antonio Octaviano de Alvarenga, spokesman for the Brazilian Embassy in The Hague, he is scheduled to return to Brasilia on the 13th. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Oct 82 p 6] 11798

LEASING OF BANDEIRANTES TO AFRICA--Brasilia--Brazilian authorities are setting up a special plan for exporting Bandeirante aircraft to Africa. The special feature of the plan, which is still in the marketing stage, is that it would involve leasing operations. More specifically, the studies are now being carried out by the Ministry of Foreign Affairs, EMBRAER [Brazilian Aeronautics Company] (which manufactures the aircraft), and the Bank of Brazil through the latter's Foreign Trade Department (CACEX) and its leasing firm, BB Leasing of Grand Cayman. Implementation of the deals is still some distance in the future, because it will require setting up a maintenance plan for Bandeirantes in the importing countries. That was the example used yesterday by Oswaldo Colin, chairman of the bank, to demonstrate the importance of being creative and imaginative in international trade. The bank's international leasing operations to date have amounted to \$1.2 billion, including \$1 billion in connection with petroleum exploration platforms. In the same context, Colin defended the recent government decision to centralize the granting of import licenses in the central CACEX office in Rio de Janeiro, saying that this provides the only solid form of control and that restraint is necessary in view of the country's current economic situation. He also pointed out that in one form or another, all nations are currently taking steps to stimulate exports and setting up obstacles to imports. Precisely because of those new forms of stimulation and protectionism, he felt that GATT is losing its importance as a world forum for debate. [By Celia de Gouvea Franco] [Text] [Rio de Janeiro GAZETA MERCANTIL in Portuguese 1 Oct 82 p 8] 11798

EMBRAER SALES IN 1983--Exports by the Brazilian Aeronautics Company (EMBRAER) will total about \$138 million (just over 41 billion cruzeiros) in 1983, compared to \$120 million for this year. In 1981, the firm's sales abroad totaled about \$102 million. Those figures prove the growing penetration of the international market by Brazilian aircraft. This information was provided in Sao Jose dos Campos yesterday by engineer Ozilio Carlos da Silva, sales manager for EMBRAER. Exports for 1983 will show a reasonable increase over those for this year, chiefly because of the introduction on the market of the Tucano, a military training aircraft on which series production began this month. EMBRAER intends to build 250 units of that aircraft, and 118 have already been ordered by the FAB [Brazilian Air Force] for use at the Air Force Academy (AFA) in Pirassununga. But sale of the Xingu to the French Government will provide EMBRAER with about 100 million French francs next year. Engineer Ozilio Carlos da Silva confirmed yesterday that the goal of \$120 million in exports for this



year will be met, although EMBRAER has faced problems in placing aircraft on the U.S. market over the past 3 months because of the complaint filed with the U.S. International Trade Commission by Fairchild, which is calling for the application of compensatory duties to imports of Bandeirantes. Other sources linked to the aircraft industry in Sao Jose dos Campos confirmed that EMBRAER has not sold a single aircraft in the United States for the past 3 months because of the pressure being applied by that country's aircraft industry. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Oct 82 p 25] 11798

ACCORDS WITH NICARAGUA--Brasilia--Fernando Puevas, Nicaragua's deputy minister of energy, will arrive in Brazil next Sunday for a 10-day visit. During his stay, he is to sign a \$3-million agreement with the Ministry of Mines and Energy for the construction of minidistilleries to produce alcohol fuel and for the execution of a project for surveying that country's biomass energy potential using Brazilian technology. According to experts in the Ministry of Mines and Energy, the two projects are to be developed by the IPT (Technological Research Institute) of Sao Paulo with financing from FINEP (Funding Authority for Studies and Projects), an agency of SEPLAN [Planning Secretariat]. Deputy Minister Puevas will meet with experts from FINEP in an effort to obtain financing for projects in the energy sector which are considered priorities by the Nicaraguan Government and which may be carried out by Brazilian state-owned firms. In another connection, Minister of Mines and Energy Cesar Cals will sign technical cooperation agreements with the Jamaican and Costa Rican ministers of energy during the upcoming meeting of OLADE (Latin American Development Organization) in Montevideo on 19 November. Both countries are interested in obtaining Brazilian technologies in connection with fuel alcohol, electric energy, and coal. This week the World Bank made a loan of 4 billion cruzeiros available to PROALCOOL [National Alcohol Program]. The money will be lent to the Sao Tome Agroindustrial Cane Products Cooperatives, Ltd. and the Guairaca Cooperative in Parana through BADEP (Parana Development Bank) to establish two distillery projects with a daily production capacity of 150,000 liters each. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Oct 82 p 26] 11798

ARREST OF ARMS SMUGGLERS--Cuiaba--Two smugglers coming from Goias were arrested early yesterday morning at one of the roadblocks set up by Military Police on the Cuiaba-Caceres Highway. In their possession were 16 foreign-made large-caliber weapons, some of which were automatic and intended exclusively for the use of the army. In the trunk of the taxi they had hired in the city of Caceres, the two men were also carrying ammunition, watches, and 1,800 Bolivian pesos. The contraband was estimated to be worth about 8 million cruzeiros. One of the smugglers, Asir Pinto da Cunha, was born in Bau, Minas Gerais and is a retired soldier from the Goias Military Police. The other, Luiz Gonzaga Gabriel, is from Anapolis, Goias. It seems that the third man taken into custody--the taxi driver--knew nothing about the contraband. The three men are being held at the Federal Police Department in Cuiaba. During the arrest, shots were exchanged between the two smugglers and Military Police personnel from Mato Grosso, who were under the command of 2d Lt Jose Firmino Neto. [Text] [Rio de Janeiro O GLOBO in Portuguese 26 Sep 82 p 9] 11798

CSO: 3342/10



## MIR 'PLAN RETURN' VIEWED, ENTRANTS NAMED

Santiago EL MERCURIO in Spanish 10 Oct 82 p C 1

[Text] A series of courses, including instruction in judo and karate, the manufacture of weapons and explosives, armed insurrection, taking over and assaulting radio stations and power plants, and kidnapping techniques, are being taken by Chilean subversives abroad so that they can subsequently come back to the country in "Operation Return."

EL MERCURIO has obtained information about the activities of extremists in other countries who, through various channels, left the country several years ago and, little by little, have returned secretly. This situation was brought to the fore a few days ago when one person died and another was seriously injured when a high-explosive bomb went off on the corner of El Vergel and Llewellyn Jones Streets. Both were actively participating in the operation and were about to launch an assault.

## Central Command

According to a report to which our newspaper had access, the executive board of "Operation Return" is headed by the outlawed Movement of the Revolutionary Left (MIR), with the cooperation of Marxist parties that are operating illegally.

The document reiterates that the main headquarters is in Paris, France, where general planning takes place. False documentation and money are provided to finance subversive operations, with very detailed planning.

Previously, the terrorists received training in countries such as Cuba, Libya, Algeria, East Germany, France and others.

"The plan to return was detected in 1978, and reached its peak that year and the following year. It is a worldwide operation, and its basic financing comes from the KGB, the Soviet intelligence organization," the report states.

## In Cuba

Those who have used this system to return to Chile and engage in activities of a subversive nature left the country after 11 September 1973 to seek asylum; others were expelled for violating the laws in effect at the time and

posing a threat to national security. This group is also made up of members of Marxist-type collectives who joined extremist factions through their "contacts."

"Ninety percent of the training is provided in Cuba, at specialized centers," explains the confidential report.

Among these centers are the ICIA [expansion unknown] officers' schools, the ICIA school of higher learning, the cultural school, and training centers in Havana, Pinar del Rio, Trinidad, Punto Cero, Camaguey, Victoria de las Tunas, Mayari, Sierra Leona and Isla de los Pinos.

In addition, it was learned that there are another 244 guerrilla training sites in Cuba.

Among the courses that are given are judo, karate, instructions and tactics for kidnapping, single front tactics, armed insurrection, manufacture of weapons and explosives, blowing up bridges, taking over radio stations for broadcasting messages, assaults on power plants, strikes, falsification of official documents, infiltration of agents in high offices and important institutions, and converting members of the armed forces.

#### Documentation

Through statements made by subjects who have been arrested, it has been learned that there is a full-fledged international organization for facilitating documentation, be it passports, identity cards or other papers.

The names of deceased people, or people who have no record with police or security agencies, or simply false identifications, are all used for these purposes.

It was also reported that in Mexico a center for agitation and propaganda is being operated.

#### Names

Nearly all the subjects who have returned secretly to the country through the so-called "Operation Return" have been detected, detained and neutralized by security services, preventing them from taking action, in contrast to what is happening in more developed countries with more facilities for controlling subversion, it was reported.

EL MERCURIO has investigated the matter and has uncovered a list naming, among others, the following extremists:

Jose Miguel Benado M., Juan Bustos Troncoso, Rene Bravo Aguilera, Carlos Bruit Gutierrez, Miguel Cabrera Fernandez, Jaime Castillo Petrucci, Rene Diaz Caceres, Sergio Godoy Fritis, Prospero del Carmen Guzman Soto, Victor Maturana Burgos, Jose Monsalve Sandoval, Fermin Montes Garcia, Raul Obregon Torres, Arinda Graciela Ojeda Aravena, Juan Ramon Olivarez Perez, Carlos

Ortiz Jopia, Miryam Ortega Araya, Ana Luisa Penailillo Parra, Luis Pincheira Llanos, Charles Ramirez Caldera, Fernando Reveco Soto, Enrique Reyes Manriquez, Julio Riffo Figueroa, Ricardo Rodriguez Moraga, Guillermo Rodriguez Morales, Juan Sandoval Torres, Rigoberto Villagra Arenas, Juan Yanez Palacios and Ernesto Zuniga Vergara.

Carlos Diaz Caceres was killed by the bomb that exploded the night of 30 September, at El Vergel and Llewellyn Jones. Jorge Maturana Burgos, who was with him, was injured when the device they were carrying detonated.

8926

CSO: 3348/54

## PASCAL ALLENDE MEETS WITH ITALIAN PRESIDENT

Santiago EL MERCURIO in Spanish 12 Oct 82 p C 3

[Text] The secretary general of the outlawed Movement of the Revolutionary Left (MIR), Andres Pascal Allende, reportedly met with Italian President Sandro Pertini, according to a communique from the so-called "Information Agency of the Resistance" (AIR).

AIR also credits the commandos of the "Militias of Popular Resistance" with the attack on the Carabinero post in the town of La Bandera last September.

Pertini supposedly expressed to the Chilean terrorist leader "a great interest in gaining more direct knowledge of the struggle" against the Chilean military regime, according to the AIR report.

There was no indication of when or where the meeting took place, after Pascal's visit to Sweden. In Stockholm, the MIR chief held talks with leaders of the Social Democratic Party headed by Olof Palme, who recently took office as prime minister.

Officials of that group "ratified their support for the liberation struggle of our people," according to the publication.

## Stages

Pascal Allende left Chile secretly at the end of last April to make a tour in pursuit of the unification of all leftist factions in "the armed struggle" against the government of President Pinochet.

The first stage of his tour took place in Mexico, where he met with representatives of the Institutional Revolutionary Party (PRI), the ruling party, and with revolutionary leaders of Nicaragua and El Salvador.

Then he went to Cuba, where he spent several weeks, and met with Fidel Castro.

Next he went to France, where he signed the so-called "Paris Accord" with socialists (Clodomiro Almeyda), communists (Luis Corvalan) and radicals (Anselmo Sule) to rally the left around the "armed struggle." Afterwards, he visited French President Francois Mitterand at Elysee Palace.

The fourth stage was in Moscow, where he met once again with the secretary general of the outlawed Communist Party, Luis Corvalan. Then he left for Sweden.

#### Attacks

The AIR publication also contains a full report on "political and military actions" against the government.

It singles out subversives of the "Milicias of Popular Resistance" as being responsible for the attack on the Carabineros post in the town of La Bandera on 9 September.

It also credits the "Resistance" with planting 12 bombs in Santiago on 23 August in the municipalities of Las Condes, La Cisterna, Conchali, Maipu and others.

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CSO: 3348/54

## BRIEF

EMPLOYMENT PROJECT--Planting trees along river banks and protecting the nation's hydrographic basins are some of the jobs being done by unemployed workers hired by the National Forestry Corporation (CONAF), under the government's plan to absorb unemployed manpower. Ricardo Romero, interim director of the National Forestry Corporation, explained to EL MERCURIO yesterday that between the First and Twelfth Regions yesterday 6,570 people were working. On the 30th of this month, 7,900 people will be hired from among those who report to various offices around the country. Next November, he added, the CONAF goal of hiring and employing 10,000 jobless workers will be met. For this purpose, 105 work projects were proposed to the government. So far 87 have been approved, and 77 are being carried out. The work being done at this time between Arica and Punta Arenas involves hydrology, protecting forest lands, improving national parks with roads, bridges and other facilities for tourists, planting trees along river banks, managing newly planted areas, pruning, thinning commercial forests, and gathering seeds. Most of the jobless workers have been put to work in the Tenth Region, with 1,272 people hired, followed by Concepcion with 1,208, Coquimbo with 1,109, Araucania with 920 and Magallanes with 572. [Text] [Santiago EL MERCURIO in Spanish 13 Oct 82 p C 1] 8926

CSO: 3348/54

## MORA REPLIES TO MONGE ACCUSATIONS AGAINST COMMUNISTS

San Jose LA NACION in Spanish 3 Oct 82 p 24A

[Paid Advertisement section: "Manuel Mora Valverde Answers Monge"]

[Text] The words of the president worry us because if they were translated into deeds they could affect the democratic political system of this country in a very negative way. But we are not frightened. We have never been unaware of the risks to which we expose ourselves whenever in our struggle we see ourselves obligated to affect the interests and the privileges of the transnational companies and of the most reactionary strata of our oligarchy.

It is curious that the struggle of the banana workers to force BANDECO to increase their salaries and treat them with more justice has exasperated the president. Possibly the president assumes that if he does not defend that transnational the alms which he is negotiating with Washington would be in danger. But the reality is this: BANDECO has seen the dollars with which they were paying the workers' salaries increase four and even five times. The workers on the other hand have seen those salaries diminish in the same proportion. Can it be considered unjust that the BANDECO workers ask that their salaries be increased by at least 50 percent? Is fighting for that salary increase, in the face of the galloping increase in the cost of living, fighting to destabilize the government? Is fighting against misery fighting against democratic government? President Monge has lost his sense of reality to say the least. He is functioning with his liver and not with his head. In the specific case of the battle with BANDECO he does not even realize that a percentage of workers on strike are members of National Liberation, because injustice is oppressing all workers without regard to political lines.

But life has its ironies. Yesterday, almost at the same time that President Monge was threatening us with communists and challenging us to a duel, the press announced increases in electric and telephone rates. The contrast is evident and instructive: the Atlantic workers fighting to obtain from BANDECO a just increase of the price for their labor and the government extracting a large sum of money from the pockets of the consumers of electricity and telephone service. Where, in reality, is the destabilizing action of the political regime under which we live? On what does Mr Monge base himself in order to persecute us, on armed force, or on a people for whom every day the cost of living increases?



Faced with the insistence with which Mr Monge announces an international communist conspiracy to destabilize his government it seems to me that the ones who are really in a conspiracy against the peace of this country are those who are bent on converting Costa Rica into a camp of provocation and of possible operations against Nicaragua.

Persons who do not hide their conspiratorial activities against Nicaragua are already operating openly in our country with the tolerance of the president and the foreign minister. Does President Monge still intend to open the doors of the country to a foreign force under the pretext that Costa Rica is threatened by Nicaragua from outside and by a communist conspiracy from within? Who is advising such evil?

We will not fall into the trap. We will fight using all legal means available to defend the democratic system, the working class and the people's rights. If, in truth, President Monge wishes to fight poverty, he will have our cooperation, despite his affronts. But if he prefers to attack us, disregarding the constitution, we will do whatever is within our power to defend ourselves.

9678

CSO: 3248/109

## BRIEFS

ARSENAL SEIZED FROM PASTORA--Deputy Arnaldo Ferreto Segura, of the Popular Vanguard, announced yesterday that he had information to the effect that the police, with whom Eden Pastora, Commander Zero, had a serious altercation late yesterday night in Guadalupe de Goicoechea, had confiscated from him a formidable arsenal, consisting of grenades, bazookas, machine guns and revolvers of 45 caliber. Deputy Ferreto Segura requests detailed reports on this incident from the minister of public security, Angel Edmundo Solano, and information on the means taken to have the laws respected and to punish those who jeopardize the safety and peace of the country. Those arrested, released by personal order of the president of the republic, are of Nicaraguan nationality, loyal to Eden Pastora, according to a version attributed to Mr Ferreto. In accordance with the version of deputy Ferreto, the first ones arrested provoked an argument with the police which caused more armed men to arrive, including Pastora himself, as well as other police patrols. Eden Pastora and his men, in accordance with the story, were brought to Base Cero, in front of the Southern Commercial Center, where the president of the republic arrived and ordered his release. The seizure announced by Ferreto consists of 50 machine guns, 25 revolvers of 45 caliber, grenades and bazookas. [Text] [San Jose LA REPUBLICA in Spanish 7 Oct 82 p 3]

9678

CSO: 3248/109

## NEW STATE SCHOOL EXAMINATIONS DESCRIBED

Havana BOHEMIA in Spanish No 36, 3 Sep 82 pp 48, 49

[Article by Oscar F. Rego]

[Text] Some 441 students who enrolled 4 years ago in the President Allende Pedagogic School, which goes up to the ninth grade level, graduated after taking the State Examinations recently instituted by the Ministry of Education for the subsystem of training and improvement of teaching personnel.

The improvement plan is progressing with evident success in the betterment of the national educational system according to the dictates of scientific pedagogy and Marxist-Leninist philosophy. The crux of all the efforts being made at this time is the quality of our education. The introduction of the State Examinations for the first time this year in the pedagogic schools--with the exception of the Jose Marti School, which started them last academic year--constitutes a new experience in the evaluation of the teaching-learning process. These tests measure the quality of its results; verify the extent of the politico-ideological, scientific-theoretical and professional-pedagogic preparation attained by the future teachers; disclose the mastery of the fundamental content of the disciplines which play the guiding role in the practice of the profession; and [reveal?] the assimilation of the essential precepts of party documents dealing with the teaching-training task.

The students who have completed all the subjects of the curriculum during the established 4-year period, including teaching practice, appear before an examining board and develop two themes--one on teaching and one on Marxist-Leninist philosophy--which are drawn at random from the official lists of topics set up by the Ministry of Education.

Alejandro and Yilian

The students enter the classroom in groups of 10 to take the test. At a desk, each one writes on a sheet of paper provided to them an outline of the basic points that they will develop orally. No books, notes or reference material of any kind can be used in the drafting of this examination outline. In the presence of the board, the examinee reads the material that was written under the watchful eye of a teacher moments earlier, and answers the questions

on the subject that are asked by any of the examining professors. In order to pass, the examinee must receive a grade of good, very good or excellent.

Alejandro Prieto Rabelo and Yilian Cabezas Nunez were coming out of the examination. We approached them. Alejandro had been examined on pedagogy and had been graded excellent. He is an exceptional student who completed the course with an average grade of 94.4 on the subjects and a mark of excellent in teaching practice.

"What topics was it your lot to develop?" we asked him.

"'The contribution of pedagogic subject to the esthetic education of the pupil' and 'The training of the pedagogic collective.'"

"Have you been assigned yet?"

"Yes, to a primary education boarding school in the municipality of Batabano. I will teach my specialty there which is literature, in the second period of the curriculum, which corresponds to the fifth and sixth grades. I want to tell you that I am very happy now that I have graduated, because I have finally fulfilled one of the greatest desires of my life--to become a teacher."

Yilian got a mark of very good in the Marxist-Leninist philosophy examination. Her academic rating in the school is 94.09. She developed two themes:

"Practice as a criterion of truth," and "The tasks of the socialist state in education." With regard to the latter, we queried her about her discourse. She tells us:

"The topic is very interesting because who in our country does not know what are the tasks that our government has been developing in education?

"This is an avant-garde school, a good school. I have received a thorough teaching education here, but I must continue to improve and to try to impart to my pupils the practices of formal education that I have learned, because the teacher is a living example to his pupils. I am assigned to a preschool classroom, which is the specialty I studied, in the Playa municipality."

"Do you like teaching, Yilian?"

"Very much. When I was interviewed 4 years ago, before I enrolled in the school, I was asked about my decision to study teaching. I said then, 'I like children, and that is the essential thing that leads me to believe I will be a good teacher.' Now, almost in possession of my classroom, I say the same thing but add that as a teacher, I am on the way to being able to serve the revolution and my country where the party and Fidel indicate me."

These State Examinations will undoubtedly serve, according to their results, as a valuable experience to formulate recommendations designed to improve the quality of the teachers and our education.

## REPORTAGE ON 1982-83 SCHOOL YEAR ACTIVITIES

Havana BOHEMIA in Spanish 3 Sep 82 No 36 p 53

[Article by Oscar F. Rego]

[Text] The 1982-83 school year starts with the expectation that all the provinces will strive to report all their institutions "ready to commence the school term."

The Ministry of Education expects that this will be a better organized school year with an improved crop of teachers and professors, as well as better studying habits on the part of the students. In short, with better quality in the educational task.

Some 3,393,800 students will attend classes in all levels and types of education, with figures in the various subsystems very similar to those of the previous school year. It is estimated that 1,355,500 students will be enroll in primary education, 1,152,000 students in intermediate education, 270,000 students in technical and trade education, and 93,000 students in pedagogic education. The remainder of the total estimate pertains to children's circles, preschool centers, special education, youth movement, adult education and higher education.

These data were furnished by Education Minister Jose R. Fernandez, who also reported the measures adopted to improve results in rural schools, where the multigrade system is in operation, and the special attention that has been given to these schools in the provinces of Santiago de Cuba, Granma, Guantanamo and Pinar del Rio, adding that 203,000 fifth-grade graduates and 194,000 ninth-grade graduates had already enrolled to continue their studies, figures which are the highest recorded to date.

After saying that the conditions to achieve a better school year are ensured, he offered suggestions to educational leaders, directors, teachers and professors, students, parents, organizations such as the FEEM [Federation of Middle School Students], FEU [Federation of University Students], UJC [Union of Young Communists] and the Pioneers, as well as the school and children's circles councils.

He suggested to the first-mentioned councils maximum cooperation in order to obtain good results, an appropriate organization of all the aspects of the teaching-training process, and also a better use of the human and material resources, a greater degree of association with the political and mass organizations, and an increased urgency in order to be more efficient in providing educational services.

He told directors, teachers and professors that they should continue to improve and to attain an optimal methodological preparation in order that the classes they teach will have the quality required by the scientific development of our socialist pedagogy. They should be also more demanding in evaluation, work with great sensitivity to arouse in their students the desire to study and to help them reason. The relationship with the parents and the other factors involved in education will be extremely important.

What did Minister Fernandez advise the students? We expect of them more attendance and punctuality in the classes and other activities established in the schedules of their respective institutions, and that they learn to reason to understand the motive for each thing. He underscored the need to take good care of the social property of the school and their own property, to maintain correct hygienic and proletarian courtesy habits, to pay very special attention to the study of mathematics, physics and chemistry, and to use the language with adequate propriety both in speaking and in writing. The students can find useful reading in the abundant production of excellent books published by our revolution.

What is wanted regarding the parents? They should not forget the importance of their role in the education of their children because no one can replace them in that responsibility and in the teaching of the first habits of conduct and discipline. Moreover, they should take care that the children study systematically and perform all the educational tasks.

When the minister referred to the responsibility of the organizations, the schools and the councils, he reminded them of the inescapable duty of enthusiastically supporting the work of the educational centers, of engaging in quality emulation and of demanding of the centers that all their tasks be also of quality. The main task of the school councils, Fernandez emphasized, is the management of education, which does not prevent them from carrying out other activities intended to improve the physical conditions of the classrooms, shops, athletic fields and other installations.

The minister of education pointed out: "All of us, as Fidel said, have to work to obtain the maximum crop with the maximum quality."

#### National Vanguard

A meeting was held also at the Convention Palace between the directorate of the MINED and the national student vanguards and most outstanding young professors of the 1981-82 school term, which was attended by Minister Jose R. Fernandez, Deputy Minister Asela de los Santos and other educational officials.

The 133 vanguards belong to the FEEM, the FEU, the Che Guervara International Pedagogic Detachment and the Youth Movement, and they were being rewarded for their efforts with a program of activities that included the awarding of the badges identifying them as vanguards.

Fernandez congratulated the youths who won such an honorable distinction and exhorted them to continue on the path they had taken in order to inspire the student collectives with their example, and to contribute in this manner to make next school year one of quality, like the year that preceded it.

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CSO: 3248/12



CENTRAL ARMY ACTIVITIES WITH MTT UNITS DESCRIBED

Fallen Comrades Remembered

Havana VERDE OLIVO in Spanish 16 Sep 82 No 37 p 55

[Article by Jesus Casal Guerra]

[Text] This regiment of the MTT [Territorial Troops Militia] marches just like that battalion did in times already remote, in times that were very different because of the strength that this country has gained, but quite similar because of the aggression which keeps us in danger.

Thus march these men who go to the classrooms and grounds of the MTT Provincial Military Training Center to acquire new knowledge.

And I remember again those days of the long hikes, and the days of the La Chorrera School, and the days of Escambray, and the tremendous victory of Giron. And the names of those who spilled their blood defending the honor of the 117th Battalion come to mind when in the erect figure of Santiago Hirzel Durance, I imagine I see the faces, today smiling more than ever, of Antonio Grosso, Primo, the quiet Walfrido, the grandfather Amador, the black Portuondo, Rufino del Carmen and Silvio of the 5th Platoon, all with their green berets and flourishing backwoods beards.

There they go in the vanguard, around the flag that draped their bodies mutilated by shrapnel, once more at the head of their unit which again prepares for war.

New Officers Club Inaugurated

Havana VERDE OLIVO in Spanish 16 Sep 82 No 37 p 55

[Article by Orestes Carballo]

[Text] The Officers Club of a motorized infantry unit of the Central Army was inaugurated by Maj Gen Sixto Batista Santana, substitute member of the Party Politburo and the chief of the Central Political Directorate of the FAR [Revolutionary Armed Forces].

The new club, established as part of the activities of the start of the 1982-83 school year, was set up in a deactivated military building and is equipped with basic facilities for ideological work, recreation rooms, restaurant and post exchange, and a stage for artistic and dancing activities. The construction of a swimming pool is being planned. Those who participated in the construction and refurbishing tasks included officers, warrant officers, sergeants, soldiers and civilian workers, who voluntarily helped the specialists perform the job.

In the stirring inaugural act, Maj Francisco Duran Llanes spoke briefly in the name of the workers collective and promised to provide good service to his colleagues having club privileges.

In the tour of this center for politico-ideological work, Maj Gens Sixto Batista Santana and Pedro Garcia Pelaez were pleased with the installation that has been created, and both were the first to sign the visitors' book. They were accompanied by Felix Moreno and Faustino Bento Morejon, second secretary of the Party Provincial Committee in Matanzas and president of the People's Government Assembly of the same location, respectively, as well as by field and lower-ranking officers of the FAR and Soviet military advisers.

8414

CSO: 3248/47

## PCC FOUNDING MEMBERS IN MILITARY HONORED

Havana VERDE OLIVO in Spanish 16 Sep 82 No 37 p 56

[Article by Mario Rodriguez]

[Text] An act presided over by Maj Gen Ulises Rosales del Toro, member of the Party Central Committee, first substitute minister of the FAR [Revolutionary Armed Forces] and chief of the General Staff (EMG), took place in the FAR Universal Hall to hand out Communist Party of Cuba (PCC) Founders' Certificates to a large group of officers and civilian workers belonging to sections of the MINFAR [Ministry of the Revolutionary Armed Forces], the EMG and units of central subordination.

Taking the floor in the course of the event, Lt Alicia Camacho conveyed the warmest congratulations of the youth organizations to the recipients of the awards. "The most combative and conscientious qualities of our people are found in you," she said. "For that reason, the presentation of this certificate is no more than the actual recognition of those who, like you, have known how to serve the country with exalted loyalty and spirit of sacrifice."

In the conclusion of the act, Col Jose M. Garcia Trujillo pointed up the role played by Marxist-Leninist concepts during the struggle in the republic, which were adopted by the popular masses as the battle flag for their demands.

He noted that the handing out of the certificate constitutes the recognition of those who have known how to fight on the side of the revolution in the difficult times of clandestinity, in the fight in Sierra Maestra, Giron and Escambray, and in the finest internationalist missions of our people and the FAR.

"You have been," he stated, "one of the most unselfish and brilliant executors of the most important deeds performed by our people; deserving continuators of the beliefs and the example bequeathed by Balino, Mella and other precursors of our party. The holding of this certificate," he concluded, "implies a firm and exalted commitment with our revolution and our party to be faithful to the example and the teachers of our commander in chief."

8414

CSO: 3248/47

## HAVANA CITY FARM CIVILIAN WORKERS HONORED

Havana VERDE OLIVO in Spanish No 37, 16 Sep 82 p 56

[Article by Hilario Pino]

[Text] Within the framework of the activities to celebrate the Day of the FAR [Revolutionary Armed Forces] Civilian Worker, the young men who work in the construction units of the capital are toiling hard and with boundless revolutionary enthusiasm in the performance of various shock tasks whose cost amounts to more than 77,000 pesos.

Among the works that they are undertaking, there stands out the construction of economical dwellings, the completion of two warehouses with 10 bays, and the building of athletic fields and recreational areas. They will perform several days of voluntary work in carrying out these tasks.

"In the last period, our organizations did a great job in the youth movement of the shock works which contributed to the improvement of the living conditions of the workers and the implementation of the technico-economic plans of the units," said 1st Lt Jose Domingo, chief of the UJC [Union of Young Communists] Construction and Troop Lodging Subsection at the signing of the agreement between the grassroots committees of the youth organization and the pertinent commands.

The shock works' movement in the centers of this region produced highly commendable results. The young men who distinguished themselves included those of the Projects Center, whose rationalizations and inventions saved more than 6,000 pesos; of the Research Center, who contributed more than 36,000 pesos to the technico-economic plan; and of the Base committee of Military Unit 9641, who were outstanding participants in the remodeling of the Granma Memorial.

"The enthusiasm and dedication of the young military construction workers is evident in this movement," Lt Jose Domingo underscored.

8414

CSO: 3248/47

## SEVERAL INJURED DURING NAGUA STUDENT RIOTS

Santo Domingo LISTIN DIARIO in Spanish 2 Oct 82 p 4

[Text] The outcome of the violent street incidents that took place in the community of Nagua was two minors wounded by gunshots, four policemen injured and nine students arrested. A crowd of students attempt to storm the police station of that city during the events, according to Francisco Javier Molina Martina, the commander of that installation in the northeast area.

The wounded youngsters were Guadalupe de los Santos, age 9, and Reynaldo de Leon, age 14, who were shot in the lower extremities and had to be confined in the San Francisco de Macoris Public Hospital.

It was explained that one of the Nagua detachment policemen on duty fired against a group of students who were demonstrating to protest against the transfer of the inspector of education. According to Colonel Molina Martina, the students tried to force their way into the police station but were resisted by the policemen, and 2d Lt Manuel Paulino Santos, Cpl Rafael Bolivar Ortiz Guerrero, Pvt Francisco Vargas Cepedo and Pvt Segundo Hidalgo Arias were injured.

Students Pascual Vasquez, Martin Hidalgo, Alfonso Santos, Leonidas Estevez, Ramona Polanco, Gilberti Hernandez, Marcelino Estrella, Manuel Castro, Juan Hernandez and Carmen Estevez were arrested, among others.

Besides carrying out demonstrations, the students of private and public schools burned tires in several section of Nagua.

The Nagua police force has to be reinforced with other policemen assigned to San Francisco de Macoris.

The students were demonstrating to protest against the decision of the Secretariat of Education to eliminate the regional office of education operating in that city. The students of private schools took part in the demonstrations besides the students of the lycees and the public schools. The students threw rocks at the police station in the course of the demonstrations. In the meantime, in addition to the shots, the policemen also fired tear gas canisters.

armed forces resulted from the fact that President Jorge Blanco "commissioned high-level civil officials and military officers to tour the whole country and learn firsthand the urgent problems of the various communities." Rivera cited as an example a meeting at which the engineer Miguel Jimenez Messon, "as senator of Puerto Plata Province, was also present, which the councilmen of all political parties attended in the Government Palace." Rivera said that the Puerto Plata manager of the PR was at the meeting also, and he and Jimenez Messon "made a number of reports which have been already delivered to the president."

The secretary of the interior and police said that he has always acted impartially in the negotiations between the councilmen of the PR and the "RD [Dominican Revolutionary Party] to solve the crisis of those municipal governments that failed to elect their directorates in time. He pointed out that "Reformist Deputies Federico Antun Batlle and Juan Estrella Rojas, as well as Dr Joaquin Ricardo, the leader of that party, can attest to that. Jointly with me, these gentlemen dealt with the crisis of the Santiago Municipal Government for several days, and they can bear witness to the fact that I always believed the will of the majority should be respected and, in that sense, the PR should be favored with the chairmanship of the Santiago Municipal Council," he added. Rivera was surprised that the PR senator from Puerto Plata "says this has been ordered by the President of the republic."

On the other hand, the secretary of the interior and police disclosed that he has reports that some national sectors are making plans to destabilize the country's "climate of ample guarantees." Rivera warned that the government will confront those plans "within the law." He said that the plans have a bearing on "the flood of applications for meetings and picket lines that we are receiving at this secretariat." However, he did not identify those sectors or say whether they are connected with political or labor unionist groups.

For his part, the secretary general of the LMD stated that "The president of the republic is not linked to any activity of this nature inasmuch as he has shown the country and the world that he is a man of strong democratic conviction." Carmona Mateo said that the democratic conviction of President Jorge Blanco was demonstrated "when he allocated an extraordinary subsidy of 1 million pesos to some 100 municipal governments of the country without taking into consideration the political affiliation of the municipal representatives.

"We believe that the accusation was hasty because there are always people who have belonged to parties other than the government party that feel attracted to a party which has attained power," said the official. Carmona Mateo figured that that is what has been happening in some municipalities among the councilmen of the PR and which, in his opinion, "will continue to happen as long as human beings exist."

The official asserted that "it is untrue that the President of the republic is involved in situations of this nature." He added that "at no time has the President made any suggestion of a similar nature to the LMD."



## OFFICIALS DENY USE OF ARMY TO OBTAIN LOCAL COMPLIANCE

Santo Domingo EL CARIBE in Spanish 7 Oct 82 pp 1, 6

[Article by Tulio Navarrete]

[Text] Two state secretaries and the secretary general of the Dominican Municipal League (LMD) denied yesterday that the government is using the armed forces to pressure the opposing councilmen in locations where control of the municipal governments is being contested.

Hatuey De Camps, secretary of the presidency; Prof Guillermo Rivera, secretary of the interior and police; and Dr Carlos Carmona Mateo, secretary general of the LMD, said in separate interviews that the armed forces will not engage in political activities at any time. The government officials reacted in that manner when referring to a denunciation made by the reformist senators' bloc to the effect that a special commission composed of the secretary of the interior and police, the director of the Dominican Agrarian Institute (IAD) and high-ranking officers of the armed forces, is visiting various municipalities of the country to make an "evaluation" of their needs and exert "psychological pressure." The secretary of the presidency said that "up to the present, the armed forces have maintained an attitude of nonpartisanship and of consolidation of the civil power."

When asked for his opinion about the denunciation, De Camps said that "it shows a lack of respect for the armed forces on the part of whoever does it." De Camps remarked that when speaking against the government, the accusers should specify which governmental sector is utilizing the armed forces. He said that the legislative and judicial powers are part of the government.

After stating that he had not seen the statements of the reformist legislators, De Camps explained that "the mixed civilian-military groups visited various municipalities of the interior for the purpose of collecting information." De Camps said that "they could hardly be offering things inasmuch as, in the first place, they were in no condition to offer anything, and, in the second place, in a situation that belies they could do so." The secretary of the presidency said that "if that has annoyed some leaders of the Reformist Party (PR), that is not their (the commissions) problem."

The secretary of the interior and police contended that those accusations were "false" because the commission made up of civil officials and members of the



The demonstrations took place on Thursday night and used the Mercedes Bello Lycee as point of departure.

Maj Gen Jose Felix Hermida Gonzalez, the chief of police, ordered a thorough investigation of the events. It was said last night that the condition of the wounded was serious, but they had shown considerable improvement.

8414

CSO: 3248/80

## HEALTH MINISTER CRITICIZES LACK OF FOOD POLICY

Quito EL COMERCIO in Spanish 19 Sep 82 p A 13

[Text] Ambato, 18 (Ecuadoradio).--The minister of public health, Dr Francisco Huerta Montalvo, deplored the fact that our country does not have a definite nutrition and food policy, which he maintains is a shame.

He added that he is convinced that from the daily sessions against hunger inaugurated yesterday at Ambato, conclusions will arise that will help in solving the problem.

He stressed that a collective consciousness raising is necessary, which would help us bring to reality the plans to eliminate hunger and malnutrition in Ecuador.

Referring to the FAO [UN Food and Agriculture Organization], Dr Huerta Montalvo said that the international organizations have the duty to surpass the diagnosis and undertake joint actions with the different countries.

On the other hand, he expressed doubts that a single type of solution could be valid for Ecuador, pointing out as a factor the population increase, which prevents the maintenance of equilibrium between the increase in production and the demographic explosion.

He also pointed out that the demands from industry limit the areas for food production, presenting the alternative of working for exports or for ourselves.

In regard to this, he added, the paradox arises that we keep our people undernourished while we send food to other countries, which establishes the necessity of rationalizing the production in accordance with the requirements of Ecuador.

It is necessary, he added, to establish strategic food reserves for use in difficult times.

Finally, he maintained that it is worth directing the joint efforts of all Ecuadoreans to combat underdevelopment, for which the combined work of universities, business and the government is needed.

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## DEBT ANALYSIS SHOWS CONSUMPTION UP, INVESTMENTS DOWN

Quito EL COMERCIO in Spanish 8 Oct 82 p A 1

[Text] The country's gross investment decreased by 17.7 percent in 1981 in relation to 1980, which amounts to 38 billion sucres, according to an investigation carried out by the joint polis program directed by the Central Bank.

Moreover, according to a forecast made by the same group of researchers, if the same recessive tendencies in the national economy continue, the aforementioned gross investment will have decreased by 18.5 percent by the end of the year, that is to say, it will decrease to 33 billion sucres in absolute terms.

On the other hand, it has been observed that sources of financing for the investment did not come primarily from the 1981 foreign credits, contrary to what was assumed. In fact, 39 percent of the financing originated from the enterprises' own resources, 52 percent from loans obtained within the country and the remaining 9 percent from foreign loans.

A small variation in this financial scenario is forecast for 1982: 49 percent will come from private resources, 45 percent from domestic loans and 6 percent from foreign resources.

But the poll reveals in addition that out of the 52 percent of domestic loans that private enterprise contracted in 1982 to finance the gross investment, 43 percent were granted by private banks and financial institutions, 6 percent by public financial institutions such as Banco de Fomento and the National Financing Corporation and 3 percent from other sources.

The high ratio of 43 percent corresponding to loans granted by the private banks and financial institutions implies that the debt contracted by these enterprises was essentially on a short term basis, that is to say, for 6 months, 1 year or at most 2. A minimal portion of 6 percent is financed by the government's financial institutions, which indicates that the purpose for which they were created is being subverted.

In relation to the limited foreign indebtedness for the purpose of investment, which in 1981 was only 9 percent, the analysts explain nevertheless that the total amount of the debt incurred by the private sector in the international banking institutions was from \$1.0 to \$1.2 billion, according to official versions based on the records from the Central Bank.

The situation can be explained, according to those who understand it, by the fact that this huge indebtedness was not used for investments, but almost entirely for consumption, that is to say, for non-producing purposes such as operating costs--wages and salaries, luxury items and generally those that do not generate currency--a defect that could have dire consequences and should be avoided, not only in the economic management of private enterprises but by public administration in general.

The group of researchers directed by the Central Bank determined that in 1981, gross investment for the production of non-durable goods increased by 37.2 percent for fats and oils; decreased by 38 percent for ocean products; increased by 27.3 percent for cacao and sweets and decreased by 43 percent for beverages.

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CSO: 3348/30

## BANKING LEADERS DECRY LACK OF FUNDS FOR LOANS

Quito EL COMERCIO in Spanish 8 Oct 82 p A 1

[Text] The banking sector and the private financing companies of Ecuador are requesting from the government a solution to the problem of non-liquidity that precipitated the closing of loan operations in the Country.

According to the vice president of the Association of Private Banks, Hugo Suarez, at the present time the commercial banking institutions are not granting loans because they do not have the money to do so.

The president of the Bank of the Pacific, Marcelo Laniado, stated for his part that the non-liquidity occurred because of a decrease in currency in circulation. According to statistics from the Central Bank, the money in the hands of private banking institutions decreased from 11,562,833,000 sucres last 31 December to 8,875,131,000 last 10 September.

This fact--at the time the money for loans diminished--started a cash flow that reached 589,692,000 sucres by last 31 August.

These circumstances led to a dialogue between the bankers and the president of the monetary board, Jose Antonio Correa, the minister of finance, Pedro Pinto, and the Central Bank's general manager, Abelardo Pachano.

But previous to this, the commercial banking institutions sent a message to the monetary board giving details of the problem and some suggestions that up to now have not been divulged.

Nonetheless, it was learned that the document consists of four points. One of them, the principal one, has to do with reforms or regulations related to foreign loans and with monetary funds.

There are also suggestions for promoting exports.

The two bankers agreed in stating that the problems arising within the sector should be solved immediately to avoid major negative repercussions.

For its part, the Central Bank revealed that the purpose of yesterday's meeting was to inform the representatives of the banks and the private financial institutions about the process of renegotiating the national foreign debt, about the fiscal situation and about the balance of payments.

It was reiterated that in order to take care of the private sector's foreign debt, the lending institutions will continue to provide foreign currency in agreement with the rules in force.

Also, various aspects of the present rules having to do with credit and with the Central Bank's credit operations through the private banks and financial institutions were analyzed.

The next meeting will take place on the 11th of the current month, it was reported.

9907

CSO: 3348/30

## BRIEFS

NAVY PROMOTIONS--Guayaquil, 6.--On the 8th of the current month, with the help of the president of the republic, the minister of defense and the country's civil and military officials, a ceremony will be held to celebrate the promotion of RAdms Carlos Flores Uzcategui, Fausto Cevallos Villacres and Alfredo Estrella N. to vice admirals. The ceremony will take place at 11:00am aboard the BAE Alfaro, anchored at the naval base pier. The program for the promotion ceremony is the following: 1) Gun salute to the constitutional president of the republic, 2) National anthem of Ecuador, 3) Reading of the promotion decrees, 4) Exchange of epaulets, 5) Speech by the minister of national defense, 6) Speech by the promoted officer who has served the longest, 7) Navy hymn, 8) Closing tribute. [Text] [Quito EL COMERCIO in Spanish 7 Oct 82 p A 2] 9907

CSO: 3348/30



## PRESIDENT MAGANA ANNOUNCES INCENTIVES TO COTTON INDUSTRY

San Salvador LA PRENSA GRAFICA in Spanish 24 Sep 82

[Text] Dr Alvaro Magana announced yesterday, as measures to stimulate the cultivation of cotton, financing up to 210 million colons for the next cotton crop and minimum guaranteed prices ranging from 75 to 80 colons per quintal. He said that they had already been approved by his government.

During a press conference in the presidential palace, Dr Magana, on giving encouraging news to the cotton growers, stated that from today on, the general situation of the country is going to improve notably in all areas and that we are a few days from seeing the positive results which he announced on assuming the presidency, last 2 May.

The president added that the new financing arrangement could be summed up in two points which are: 1) Maturity. This, he indicated, was strict and could not exceed 4 years, without a grace period. The new arrangement will have a maturity of 8 years with a grace period of 1 year. 2) Interest rates--the 15 percent charged up to now drops to 11 percent throughout the banking system, even in those cases where 15 and 16 percent were being charged.

He said that according to preliminary official figures, it is estimated that about 70,000 manzanas will be used in cotton cultivation for the next season in the entire country and that a stabilization fund had been created, a kind of security for the cotton growers, which will bring peace of mind to this sector, lately penalized by low sales prices and high production costs.

## Old Debts

With regard to the refinancing of old debts of the cotton growers, he indicated that substantial improvements had been made with regard to interest rates, providing ample facilities to retire the debts at opportune moments. Referring to a debt of about 54 million colons which the Cotton Cooperative owes the Central Reserve Bank, he stated that 27 million would be repaid at 9 percent interest and the other 27 million at 13 percent, dropping from 15 and 16 percent which they were paying.

President Magana was accompanied yesterday by Alberto Benitez Bonilla, president of the Central Reserve Bank of El Salvador, who gave technical

explanations concerning the procedure which has been followed to establish the arrangements for financing and refinancing cotton, having touched lightly on other points, such as sugar cane and the coffee industry.

In conclusion, Dr Magana expressed his optimism because the news about cotton is sufficiently encouraging so that this sector feels sufficiently stimulated to continue producing to the measure of this possibilities.

9678

CSO: 3248/67

COFFEE INDUSTRY FORUM ISSUES PROPOSALS

San Salvador LA PRENSA GRAFICA in Spanish 28 Sep 82 pp 3, 40

[Text] Our director was informed by the organizations which took part in the Coffee Industry Forum that there are various governmental and trade union institutions which must act on the resolutions and recommendations issued by said forum.

They ask that the recommendations be acted upon without delay so that coffee growing does not become extinct.

They refer likewise to said forum's having established a referendum on national coffee growing.

The text of the note sent to our director by the associations participating in the forum says:

"San Salvador, 27 December 82. Don Jose Cutriz, Director. With all due respect we approach you referring to two articles appearing in the respected newspaper under your worthy management dated Friday, the 24th and the other Monday the 27th, both of this month.

"The first is part of the editorial entitled 'Tacit Summons to the Ministry of Commerce,' and the second, 'Coffee Referendum,' written by the esteemed and learned lawyer, Dr Romulo L. Real.

"With regard to the first article, our organizations want to express and make clear our thanks to the officials in charge of the Foreign Trade Ministry for the deep understanding which they showed toward our eagerness to have a forum where an in-depth and scrupulous analysis would be made concerning the problem of our principal agricultural sector, pillar of the country's economy.

"It was thanks to that understanding that the Forum, counting on the auspices and collaboration of the highest officials of said ministry, was held. However, as was explained from the start, it is not up to the Foreign Trade Ministry exclusively to execute the resolutions and recommendations issued by the Forum, since as we well know, there are a number of government institutions together with those of trade union nature, which take part in the whole process of the production, harvesting and sale of coffee.

"There are other institutional entities which in truth will have to act to put into practice the major portion of the recommendations made by the patriotic proposal to seek a solution to the chaotic situation in which we coffee growers, and consequently the country in general, are living.

"It is not an exaggeration to say that if we do not make appropriate decisions and without delay, our coffee growing will become extinct.

"With regard to the commentary by the esteemed Dr Leal, our entities express to him their thanks and recognition for the concern shown in the sense that a referendum would have to be held among all the coffee growers so that they can decide on the commercial policy which they prefer.

"No doubt, the distinguished lawyer is very knowledgeable about the problem and the focus is apt as far as the referendum is concerned.

"However, we would wish to point out to the esteemed commentator that the referendum as proposed was in reality already held. It was precisely the mentioned forum which took place the 30th and 31st of this past August.

"We Salvadorans in general were witnesses to the resounding success achieved by said event, which was attended by all the elements which constitute the driving force of the coffee industry, all of them participating directly and sharing interesting works and expositions.

"It was admirable how, seated at the same table, all equal, were small, medium and large growers, showing their concern for the crisis which threatens this vital agricultural sector.

"At the end of the Forum an accurate diagnosis was issued, at the same time that measures which should be adopted to cure the disease were put forth.

"Among the basic issues expressed at the end of the event is precisely the one which would be equivalent to the response to a referendum: that free commercialization of coffee, both domestically and for export be permitted.

"The issues mentioned are the following:

a) Buy the 1981/1982 crop; b) creation of lines of credit to normalize the financial situation of the growers; c) free trade policy, both domestic and external; d) updating the Coffee Export Tax; e) legal security for agricultural property; f) repeal of Decree No 75 of the Government Revolutionary Junta relating to the creation of INCAFE [National Coffee Institute].

"Without any other point and appreciating your kindness in publishing this letter, we close with all consideration."

Coffee Association of El Salvador; Union of Cooperatives of El Salvador of Limited Responsibility; Cooperatives of the Reformed Sector; ABECAFE [Association of Beneficiaries and Exporters of Coffee]; Chamber of Commerce and Industry of El Salvador.

## BRIEFS

AGRICULTURAL PRODUCTS LOSS--The minister of agriculture and livestock, Miguel Muyshondt Yudice, on announcing the loss of 50 percent of the bean crop, stated that the production of cereals and other crops will be reduced, as a result of which El Salvador will have to import grains. The unseasonal situation has affected the rice, corn, millet sugar cane crops, and also cotton, according to what he said in yesterday's press conference. He said that according to researched calculations, cotton has lost, on a national level, 15 percent of its cultivation; sugar cane from 10 to 15 percent; beans, 50 percent and rice, 30 percent; millet and corn, 40 percent. Also, it is perceived that corn and millet could be affected by a disease, a kind of fungus, which rots the grain, and would produce another cereal loss. The official stated that the purchase of 120 million metric tons of wheat has already been authorized, also the purchase of 1/2 million tons of vegetal oil is forecasted. IRA [the Regulating Institute of Supplies] has been authorized to purchase rice, at the price of 33 colons per quintal. He said that due to the drought, "we are going to take emergency measures to assure food resources for 1983; that is to say, the supply of basic products is necessary. We are going to have to import rice, and also corn. He said that it is hoped that the country can increase its buying capacity in the next few days. Furthermore, there are 2,000 manzanas of rice ready for cultivation, with this it is expected that 160,000 quintals of the grain will be produced. With these measures, security for food will be satisfied. [Text] [San Salvador LA PRENSA GRAFICA in Spanish 24 Sep 82 pp 3, 24] 9678

CSO: 3428/67

## MASTERMIND BEHIND ATTACKS IN COUNTRY IDENTIFIED

San Pedro Sula LA PRENSA in Spanish 25 Sep 82 p 3

[Text] Tegucigalpa--The Honduran police has uncovered the mastermind behind the terrorist attacks and bank robberies in our country, an individual who has troubled security organizations in Central America and is now being sought by them.

The real name of the guerrilla was contained in a letter found by this country's security forces in the surprise raid on the house located at 2705 Colonia la Campana in this city, during which businessman Jacques Casanova was freed.

The letter found in the building accused the Popular Liberation Forces of being responsible for the terrorist attacks in Honduras and mentioned the name of Cayetano Carpio, alias Commander "Ferrun," as the mastermind behind all the attacks that have occurred in our country and the robberies of branch banks as well.

The FPL is an extremist faction of the FMLN [Farabundo Marti National Liberation Front] of El Salvador, which was denounced in the missive found in the operation conducted in the La Campana district of Tegucigalpa.

Commander "Ferrun" operates throughout Central America and has been sought by the governments of the region without success.

Cayetano Carpio, alias Commander "Ferrun," is a native of El Salvador and maintains contact with all the extreme leftist groups of the region.

It is presumed that the commanders of the leftist factions have disagreed over the contents of the letter, but no further details were available. However, our source asserted that it would now be easier for the security forces to apprehend the guerrilla who has so shaken up Central America.

9915

CSO: 3248/88

TERRORISTS TRANSPORTING ARMS, EXPLOSIVES IN GAS TANKS

Clash Occurs

San Pedro Sula LA PRENSA in Spanish 24 Sep 82 p 72

[Text] Tegucigalpa--Police intercepted terrorists operating in this country who were attempting to transport munitions, weapons, and explosives from Tegucigalpa to Olancho Department in propane gas tanks.

The arsenal confiscated during operations being conducted against the terrorists in this country included plastic detonators, powerful explosives, and long-range weapons that were to be used to create chaos in Honduras.

According to information gathered by LA PRENSA reporters, the terrorists intended to distribute the subversive materiel discovered by the police to different communities of Olancho, where it is presumed they planned to establish their base of operations as a means of avoiding the constant raids conducted in the capital and escaping the attention of the police. The terrorists made use of the propane gas tanks by making an opening near the bottom, filling them with weapons and explosives, and closing them up again, leaving the impression they were gas cylinders to be used by businesses or sold to housewives.

The capture of the cargo of weapons and subversive materiel led to an encounter between the seditionists and the police, but it was not known whether there were dead or wounded in the action.

Gas Distributor Target

San Pedro Sula LA PRENSA in Spanish 25 Sep 82 p 3

[Text] Tegucigalpa--The terrorists, after transferring arms to different parts of the country by using propane gas tanks as a new operating technique, tried to blow up one of the tanks at the plant belonging to the gas distributing company.

According to the information provided by the police, the seditionists tried to blow up the gas plant. Although it was not known which company was involved, Tropigas or Texaco, the terrorists' intentions were confirmed.

Under these circumstances, starting immediately propane gas outlets will receive numbered tanks with a code to indicate the purchaser of the product.



### Captured Weapons

According to police, several M-16 and Galil rifles, sawed-off carbines, Chinese stick grenades, and a large quantity of explosives were found in the intercepted cylinders.

These weapons were inside the gas cylinders and would not normally have aroused suspicion. However, the operations being carried out by the police led to the discovery of the armament, which could have caused further tragedies to Honduran citizens, according to the police.

It was not known whether anyone was arrested during the operation, but from the above it is assumed that some individuals were implicated in the seditionists' new technique.

9015

CSO: 3248/88

## CONSULAR CORPS BRIEFED ON FOREIGN POLICY

FL291719 Kingston DAILY GLEANER in English 25 Oct 82 p 15

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[Excerpts] Dr Neville Gallimore, minister of state for foreign affairs, said that Jamaica reserved the right to speak out on any issue, or condemn the action of any state, irrespective of how good bi-lateral relations be with that state.

In outlining the fundamental principles guiding Jamaica's foreign policy, Dr Gallimore told members of the consular corps at the Courtleigh Hotel, St Andrews on Thursday that the government would not compromise in its stand by declaring or withholding support, on any issue other than on the basis of principle.

Dr Gallimore said that Jamaica's commitment to fight for the preservation and promotion of human rights and fundamental freedoms transcended national boundaries.

The minister of state said he did not think abuse of human rights in any country could be claimed to be the internal affair of that country and Jamaica reserved the right to speak out against it. [passage omitted]

Looking at 1982, Dr Gallimore said the government had continued to rebuild the economy and regain local and international confidence.

He pointed to the visits of United States President Ronald Reagan in April, President Karl Carstens of the Federal Republic of Germany, Barbadian Prime Minister Tom Adams and President Herrera Campins of Venezuela.

In addition, Prime Minister Edward Seaga had also visited the United States and several other countries. These visits had served to strengthen relations.

Dr Gallimore said that while CARICOM relations had cooled over the past few years, there had been an improvement since the JLP [Jamaica Labour Party] administration took office not only on an individual basis but among member-states.

Dr Gallimore assured members of the consular corps that Jamaica appreciated the assistance which many of their countries have given to Jamaica.

United States Consular Officer, Mr Michael Carpenter, in moving the vote of thanks said Mr Gallimore's suggestions would be considered.

CSO: 3298/1130

## ANTILLES TAKING 'COMMON VIEWS' TO JAMAICA SUMMIT

FL281932 Bridgetown CANA in English 1850 GMT 28 Oct 82

[Text] Bridgetown, Barbados, 28 Oct (CANA)--The director-general of the Saint Lucia-headquartered Organisation of Eastern Caribbean States, [OECS], Dr Vaughn Lewis, says he expects all seven heads of government from the windwards and leewards to attend the OECS Summit 8 to 12 November.

Dr Lewis, who has just ended a visit to Grenada, where he met Prime Minister Maurice Bishop and other government officials, said the staffing of the organisation's secretariat in Castries and matters dealing with the Caribbean Community (CARICOM) heads of government conference in Jamaica next month would be among the main topics to be discussed.

During the past six months the OECS secretariat has been holding talks with officials of the Commonwealth Fund for Technical Cooperation (CFTC) for assistance in staffing the Castries office for three years.

The monthly regional newspaper CARIBBEAN CONTACT, which is published by the Caribbean Conference of Churches (CCC) reported that the OECS heads of government would be looking at these proposals at next month's meeting.

Dr Lewis was quoted by the paper as saying that the OECS leaders should be attending the 16 to 18 November CARICOM Summit in Ocho Rios as representatives of separate states, but "there are several issues on which there is commonality of views" which would possibly be discussed in Castries with a view to reflecting a common approach by OECS states at the Jamaica confab.

The Castries secretariat, headed by Dr Lewis, has four other staffers while the economic secretariat, the Eastern Caribbean Common Market (ECCM) in Antigua, has a much bigger staff.

The OECS was established a year ago, it groups Antigua and Barbuda, St Vincent, Dominica, Saint Lucia, St Kitts-Nevis, Grenada and Montserrat, as aims to strengthen economic and other cooperation among the countries.

CSO: 3298/1130

## CHARGE OF NORTHERN BANKERS' TRAFFICKING IN DOLLARS

Mexico City EXCELSIOR in Spanish 12 Oct 82 p 17-A

[Text] Daniel Arroyo, president of the Ciudad Juarez National Chamber of Commerce for Small Business, has said that the economic crisis in the northern part of the country is being accentuated because bank officials are acting like "traffickers in dollars."

Daniel Arroyo explained to our correspondent, Manuel Cabrera, that the manager of BANPECO [Small Business Bank], Saul Lujan, has two foreign exchange offices, one at 105-7th Street, El Paso, Texas, and another on Amado Nervo Street, at the corner of Corregidora Street, in Ciudad Juarez.

"BANPECO's unfair competition consisting of establishing offices on both sides of the border forces local merchants to resort to the U.S. dollar black market."

In another development, the vice president of the Association for the Promotion and Development of Western Foreign Trade, Claudio Arriola Wong, told our correspondent in Guadalajara, Jalisco, Eduardo Chimeli, that international shipping companies are suspending trips to Mexican ports because of uncertainty over the control of foreign exchange rates and the confusion over the application of exchange rates to goods leaving the country. In addition to this, industrialists lack sufficient funds to engage in import activities.

The manager of the Chihuahua branch of the National Association of the Processing Industry [CANACINTRA], David Gomez Reyes, told our correspondent, Alejandro Irigoyen, that difficulties in importing raw materials and spare parts will force big and small industries to decrease production and even to close down if no solution is arrived at in the next few months. He added that the situation is now urgent for about 30 percent of Chihuahua's industries but that in other states it is even more serious because diversification of industries does not exist as in Chihuahua.

Julian Gonzalez Garibaldi, president of the Monclova branch of CANACINTRA, has said that in the next few months the country's metalworking industry will recover the national market it lost because of the imports.

Interviewed by Joaquin Paredes, EXCELSIOR correspondent, Gonzalez Caribaldi said that the industry was working at 20 percent of its capacity and had laid off about 8,000 workers because industrialists were favoring foreign products.

8143

CSO: 3248/128

## INDUSTRIAL UNEMPLOYMENT SAID TO EXCEED 1 MILLION

Mexico City UNOMASUNO in Spanish 5 Oct 82 pp 1, 10

[Article by Angelica Quezada]

[Text] More than 1 million people are unemployed in the industrial sector, 80 percent of which comprises small and medium businesses that have no access to official support programs. Among foundries, 110 plants have shut down; the rest are working at less than a third of their installed capacity, and are taking out loans in advance to avoid joining the ranks of bankrupt firms, according to the president of the Mexican Society of Foundrymen, Roberto Sanchez de la Vara (also a member of the foundry section of the National Association of the Processing Industry), and the president of the National Revolutionary Confederation of Small and Medium Businesses, Manuel Fernando Sanchez.

The decline in the supply of iron and steel products will exacerbate the difficulties of the automotive, construction, mining, cement and glass industries, among others, which are also suffering from a lack of foreign currency to obtain basic inputs abroad.

Sanchez de la Vara maintains that the 1,400 foundries that are still in operation have not been able to overcome their liquidity problems, which stem from the shortage of financial resources available to pay off the debts they incurred by importing machinery. Thus, their debts to foreign and national suppliers of both money and goods are mounting.

Fernando Sanchez asserted that small and medium industrialists need credit immediately, not just when the budget allows. He also advocated the streamlining and adjustment of procedures for obtaining access to support and development programs, which theoretically are aimed at firms with limited economic capabilities.

He admitted that because this segment of industry was formed without adequate planning, it lacks the tools for meeting the requirements set forth in applications for government support, be it financial or fiscal.

Small-scale industrial firms are thus automatically excluded from the benefits of development policies because they lack the administrative and technical assistance demanded by financial requirements.



He pointed out that it is indispensable to consult the business sector regarding the decisions made by the government on economic matters. These decisions necessarily involve them, and if they continue to be excluded from participation, the country will collapse. Unilateral decision-making on policies and programs--including development programs--will lead to massive bankruptcies among businesses.

He gave special emphasis to the participation of small and medium companies, because they represent the majority in the industrial structure, and also generate 70 percent of the jobs and production of this sector. He stressed ~~that the participation of all sectors is indispensable to avoid unpleasant~~ consequences with social implications; and that the confidence of the entire population must be earned.

He remarked that on the level of small and medium firms, it is the auto parts, food and capital goods businesses that are feeling the financial crunch the most severely, and they need effective support and more streamlined credit procedures.

The director of medium and small industry at the Secretariat of Patrimony (SEPAFIN), Enrique Mora Soler, claimed that an intensified effort will be made to widen access to the 50 billion pesos of available credit, to be granted through the special funds of Nacional Financiera (Fogain, Foproba, Fira and Fonei), regardless of activity or location.

The director of economic studies of the National Association of the Processing Industry (CANACINTRA), Gilberto Ortiz Muniz, indicated that the granting of loans is still being suspended, or is moving at too slow a pace. He also said that businessmen need immediate information on the availability of foreign currency so that they can undertake production programs and evaluate their prospects.

He warned that the problem will worsen later on when businesses begin to become paralyzed as a result of the cutoff of the effective flow of currency between merchants and industrialists on both sides of the border with the United States. The CANACINTRA analyst, whose organization represents some 80,000 industrialists, pointed out that they continue to await regulations on currency quotas to be imposed in Mexican banks along the border.

8926

CSO: 3248/124

## BANK OF MEXICO CONSUMER PRICE INDEX FIGURES

Mexico City EXCELSIOR in Spanish 4 Oct 82 p 4-A

[Article by J. Jesus Rangel M.]

[Text] The Bank of Mexico announced yesterday that the national consumer price index rose by 62.6 percent between January and September, and that in September the growth rate dropped with respect to the previous month.

The wholesale price index in Mexico City, which rose by 2.7 percent in September, climbed by 58.9 percent during the first 9 months of the year.

The bank explained that in September the national consumer price index rose by 5.3 percent, while in Mexico City consumer prices grew by 4.9 percent. These percentages reflect a notable drop with respect to the August figures.

The bank pointed out that the largest increases in consumer prices in September were once again in Tijuana, Mexicali, Juarez, Matamoros and La Paz. The cities with the smallest increases were Colima, Zamora and Puebla.

It noted that in the food, beverages and tobacco category of the national consumer price index, there was a rise of 5.4 percent; the transportation category rose by 7.6 percent; clothing and shoes by 7.1 percent; education and recreation by 6.7 percent; housing by 6.0 percent; furniture and household goods by 4.6 percent; health and personal care by 2.7 percent; and other services by 5.8 percent.

As for the wholesale price index, whose September growth totaled 2.7 percent in Mexico City, the Bank of Mexico reported that the sectorial increases were distributed as follows:

Basic consumer goods went up by 2.7 percent. Within that category, food climbed by 1.1 percent, and non-food items by 5.7 percent.

Production articles also grew by 2.7 percent, with raw materials, fuels and energy, and vehicles and accessories going up by 2.0, 2.6 and 6.1 percent, respectively.

8926

CSO: 3248/124

## EXPLANATION GIVEN FOR POS BREAK WITH PSUM

Mexico City UNOMASUNO in Spanish 11 Oct 82 p 2

[Letter to the Editor]

[Text] Dear Editor:

During the past few days, criticisms of our party have appeared in your esteemed newspaper--and in others--for having abandoned the PSUM [Unified Socialist Party of Mexico] group in congress.

Carlos Pereyra and Eduardo Montes, PSUM columnists in UNOMASUNO, have based their criticisms on allegations that we are the "victims of theoretical schemes of worrisome primitivism"; that we are part of "small groups characterized by their theoretical poverty, among other things"; that we support dogmas and are doctrinaire, etc. In the lecture that Arnoldo Martinez Verdugo devoted to our party under the title of "Turn to the Right or to the Left Flank"--which was covered in an excellent manner in his newspaper by Julio Hernandez Lopez--the former PCM [Mexican Communist Party] secretary-general uses the same tactics to discredit our positions. By doing this what they are really seeking is to conceal the fact that their party took an "abrupt turn to the Right" with the issuance of the decrees which nationalize the banking system and establish control over rates of exchanges.

According to Montes, the PSUM's new policy is based on an "alliance with the state" which has led it to a de facto abandonment of the demands of workers, principally the emergency wage increase for which even the trade union "charrismo" [exclusive male grouping with elitist tendencies] is asking demagogically.

Pereyra was not telling the truth when he said, "The reason for the disagreement (between the PSUM and the POS [Socialist Labor Party]) was (...) the different interpretations the forces of the left have made of the economic, social and political ramifications of the government's decision to expropriate the private banking system." In the paper we put out on 25 September, he had read in capital letters three times the size of the rest of the type that "we are breaking with the PSUM for capitulating to the government and its austerity plans; that is, for powerful political reasons and not for 'different interpretations.'"

The PSUM's line of coming out in support of nationalization of the banking system and thereby support of the government has been vehemently rejected by the absolute majority of the democratic and independent labor movement and by sectors of that selfsame party.

On 3 September, the trade unions led by the PSUM and others allied with it held a meeting in the Zocalo under the slogans such as the following: "Independent Labor in Support of the President." Valentin Campa himself denounced as a "capitulating attitude" the fact that his party's political committee and the trade union leaders who spoke on that occasion had abandoned the emergency wage increase demand. The meeting was very poorly attended. Lopez Portillo did not even think it worth coming out to express his gratitude for that feeble gesture of support.

The demonstration on 27 September was quite different: it concluded with a meeting in the Public Square which gave birth to the National Front for the Defense of Wages and Against Austerity and Shortages. There tens of thousands of workers and young people voiced their principal demands to the government based on the premise that the nationalization of the banking system should not legitimize the imposition of greater poverty upon the masses.

This demonstration and the establishment of the front are a defeat for the PSUM. It was practically a negation of the PSUM's policy of collaboration with the government. However, the party was to experience a greater setback on 3 October. Once again, the absolute majority of the representatives of the popular and political trade union organizations of the Left repudiated the PSUM's efforts to prevent establishment of a front against austerity. On the above-mentioned date, the Front for the Defense of Wages and Against Austerity and Shortages was born as the embryo of coordination of the most important popular struggles in our country in the past few years.

The PSUM and PSO differences are not, as Martinez Verdugo wishes to present them, between "those who are only struggling for immediate goals such as the wage increase but fail to set broader and more general objectives." The differences are quite distinct from that. On the one hand are the embellishers of capitalism who feel that their "principal task" is the utopia of imprinting "the nationalized banking sector with an authentic popular and national orientation."

On the other hand, we feel that capitalism in its imperialist phase cannot give the workers anything but greater poverty and repression. We are the ones who are struggling for the unity and permanent mobilization of the workers for their demands, always maintaining their political independence vis-a-vis the middle class, imperialism and their states en route to a government of the laborers and peasants of our country. On one side is the PSUM, the heir of Kautsky, the Mensheviks and Stalin; on the other side are we who are attempting to follow Marx, Lenin and Trotsky.

Paul Jimenez Pescas, for the secretariat of the POS executive committee.

8143

CSO: 3248/128

## BRIEFS

GENERAL MOTORS CUTS WORKWEEK--Because of a shortage of imported parts, "urban transportation service is at the point of paralyzation," in the city of Leon, said the manager of the bus center in that area, Carlos Salgado. Meanwhile, General Motors Director General Horacio Unzua stated that because of the lack of imported parts necessary to assemble units, the workweek was cut to 4 days. Carlos Salgado told our correspondent Francisca Dominguez that about 10 units are languishing in the shop unable to be repaired because of a shortage of spare parts not produced in this country. He added that the number of buses could increase over the next few days because the Secretariat of Finance has not granted the necessary import licenses for parts. If this situation is not resolved, he warned, Leon residents will be without an urban transportation service. Horacio Unzua stated that the short-term prospects for the automotive industry are difficult because of the lack of dollars needed to buy parts. [Text] [Mexico City EXCELSIOR in Spanish 13 Oct 82 p 8-D] 8926

THIRTY THOUSAND AUTOWORKERS DISMISSED--Chihuahua, Chihuahua, 6 October--Some 30,000 workers in the nation's auto industry have been laid off due to the economic crisis in Mexico, which has had an impact on this sector in the form of slumping demand. During the 44th National Convention of the Association of Auto Parts Wholesalers, the president of the organization, Ricardo Garcia Bernal, said that the industry is in a crisis because many of the auto parts come from the United States and Canada. There is a danger, he stressed, that the lack of parts will lead to the paralyzation of transportation services in the country, because private repair shops lack the products they need to make repairs. "Unemployment is growing daily in this sector, and the shortage of spare parts grows worse each day as well," asserted Garcia Bernal. [Text] [Mexico City EXCELSIOR in Spanish 7 Oct 82 p 30-A] 8926

CHIHUAHUA: 800 BUSINESSES CLOSE--Chihuahua, Chihuahua, 7 October--Eight hundred merchants affiliated with the National Chamber of Small-Scale Commerce shut down their businesses because of a lack of economic facilities for operating. Jose Aparicio Espinoza, manager of the association, said that the disastrous situation of retailers has led to decapitalization, and only 200 businesses remain of the original 1,000 that formed the association. It is feared that by the end of the year, the number of businesses closing down will soar even higher. Regarding the nationalization of banks, he said that it neither benefited nor harmed them, because small businesses are not involved in the credit market. He stressed that the crisis this country is undergoing has had a particularly severe impact on small merchants. [Text] [Mexico City EXCELSIOR in Spanish 8 Oct 82 p 8-D] 8926

TELLO AFFIRMS BANK SECRECY--Carlos Tello Macias, director general of the Central Bank, told a group of federal deputies that bank secrecy is in force and will be maintained in the country. The official explained to the legislators during an informal talk that bank secrecy must be maintained in Mexico. The Bank director said that only on an express court order would information about the movement of personal funds be released to the authorities. [Text] [Mexico City EL DIA in Spanish 15 Oct 82 p 11] 8143

PREFERENTIAL DOLLAR AVAILABILITY--Mauricio de Maria y Campos, director general of Fiscal Promotion of the Secretariat of Finance, said yesterday that import permits are being granted and that in fact distribution of preferential dollars has been started. During an interview after the inauguration of the seminar "New Opportunities for Enterprise, Production, Employment and Exportation," which was organized by ANDE [expansion unknown], he said that the issuance of permits is slow but is becoming normalized and that to the extent that there are more cases to resolve the required preferential dollars will be granted. [Excerpt] [Mexico City EL DIA in Spanish 15 Oct 82 p 11] 8143

CSO: 3248/128



## AMADA REPORTS TO ASSEMBLY ON FOREIGN POLICY

PA230432 Panama City Domestic Service in Spanish 2012 GMT 21 Oct 82

[Annual report by Panamanian Foreign Affairs Minister Juan Jose Amada to the Assembly of Corregimiento Representatives--live]

[Excerpts] Mr President of the Assembly of Corregimiento Representatives, Honorable Heriberto Bernal [vice president representing Panama Province], Messrs vice presidents, honorable and very distinguished Corregimiento representatives, Mr Housing Minister, distinguished colleagues:

I am honored to present to the honorable Assembly of Corregimiento representatives the annual report on the activities of the Foreign Relations Ministry, pursuant to the provisions of Article 143, Paragraph 7, and Article 168 of the National Constitution, for the period 10 October 1981 to 30 September 1982.

Therefore, honorable representatives, I will proceed to outline in general terms the most significant aspects of our policy in the same manner in which they were outlined in the report submitted by his excellency, President Ricardo de la Espriella in his message of 11 October 1982.

As an independent and sovereign country, Panama is struggling in all international forums to achieve peace, justice and respect for the self-determination and political and territorial integrity of the states and peoples of the world.

Panama's activities at the UN Security Council have not only contributed to enhancing its prestige and image but have allowed it to support and defend the interests of the nations it represents there. During the 3 years in which Panama has been a member of the UN Security Council, debates of deep significance for peace and international security have been held on such topics as the conflict in El Salvador, the situation in the Middle East, the conflict on Namibia, the ignominious South African policy of apartheid and other serious international situations, including the two most recent crises the council faced, that is, the Malvinas and Lebanese crises.

Panama's actions at the UN Security Council have bolstered its image and allowed it to reaffirm its status as an independent and nonaligned country. Panama also held one of the three vice presidencies of the 13th UN General Assembly during the same period.



It is worth noting that Panama's foreign policy is based on the principles of international law formulated by the 10th UN General Assembly during its 25th period of sessions.

Panama has upheld its policy of unconditionally supporting the just aspirations of developing countries. Such has been the case with Nicaragua, Bolivia, Belize and, more recently, Argentina's just right to claim sovereignty over the Malvinas archipelago.

As a member of the Movement of Nonaligned Countries, Panama participated during this period in the special meeting of the Nonaligned Coordinating Bureau held in Kuwait from 5 through 8 April 1982, in the sixth meeting of the Nonaligned Coordination Council on the Palestinian Question held in Cyprus from 15 through 17 July 1982 and in the ministerial meeting of the Nonaligned Coordinating Bureau held in Cuba from 31 May through 5 June 1982.

Paragraph 130 of the final communique of the meeting of the Coordinating Bureau states that the ministers noted as a positive development the restoration to Panama of jurisdiction over the judicial, police and penitentiary systems in the Panamanian territory that used to be the Panama Canal Zone. It also states, and I quote, Law 9670 of the U.S. Congress is indefensible because it is incompatible with the Torrijos-Carter treaties and violates them. They also expressed solidarity with the Panamanian Government and people and advocated full compliance with the canal treaties as well as absolute respect for the neutrality of interoceanic communications.

SELA's first high-level consultative meeting to review economic relations between Latin America and the United States was held in Panama 30 November - 1 December 1982.

During it, SELA stated that it is necessary to induce significant change in the relations between Latin America and the United States to give them a new content. The Panama declaration defines priority areas in which SELA will reinforce its field of action regarding its economic relations with the United States, highlighting trade, basic products, financing, the transnational enterprises, foreign investment, and particularly the transfer of technology, as the most important elements in Latin America's economy strategy concerning the United States.

Panama continues making efforts to achieve amendments to the law implementing the Panama Canal treaty known as Law 96-70 enacted by the United States, some of which provisions run counter to the letter and spirit of the Torrijos-Carter treaties. Panama has repeatedly denounced U.S. Government noncompliance with the treaty's clauses. Among other issues, Panama has focused attention on situations involving labor conflicts. Panamanian unions in the canal area have been pointing out to the government the labor problems they face, which are specifically due to the unilateral and unlawful enactment of Law 96-70 and its application to the administration of the waterway. The various violations have been outlined by the Panamanian Government to the Panama Canal Commission and to the U.S. Government through its embassy and the State Department.

Of particular significance to Panama is the historic date of 1 April 1982, when our nation obtained full jurisdiction over its territory. On that date, U.S. federal and municipal courts ceased operations and the police services and jail administration reverted to Panama's hands.

We are trying to cement our relations with the United States within a framework of mutual respect and with a view toward continuing the promotion of cultural, trade and diplomatic relations as two sovereign and independent countries interested in seeking peace and understanding among all nations of the world.

We believe that it is important to increase our activities in other areas and particularly on other continents, and in 1983 we are going to try to open new offices to represent our national interests on the African continent.

Honorable representatives, difficult tasks lie ahead. There are difficult and conflictive situations throughout the world, and a permanently critical situation in several areas on the continent. We are determined to discharge our responsibilities with enthusiasm and with all the resources available to the Foreign Ministry. We would like to achieve this, and are certain that we will, because we know that we can rely on the assistance and support of the members of the National Assembly of Corregimiento representatives. Thank you. [Applause]

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## AMADA DISCUSSES CANAL, OTHER ISSUES

PA241500 Panama City Domestic Service in Spanish 2135 GMT 21 Oct 82

[Statement by Panamanian Foreign Minister Juan Jose Amado, in answer to representatives' questions at the National Assembly of Corregimiento Representatives in Justo Arosemena Palace, in Panama City--live]

[Excerpts] With regard to the deep concern felt not only by the government team, but by all Panamanians as well, by all those Panamanians who are aware of the importance of loyally abiding by both the spirit and the letter of the Torrijos-Carter treaties, we would like to explain certain aspects of the activities carried out by the Panamanian Government's technical and political teams in connection with Law 96-70.

When the process of implementing the treaties began a little over 3 years ago, we began to feel the effects of all of the conditions and provisions set forth in that U.S. law, which clearly moved away from the spirit and letter of the canal treaties. That is when we voiced the first objections to that law. The very first objections were included by then President Royo in a letter that he sent to the U.S. president in January 1979.

After that, the technical team--a team of which I must speak very highly, due to its capacity for work and to the nationalistic interest that has always characterized its members, who are accompanying us at this meeting--as I was saying, the technical team began to specifically review each of the points connected with the approval of that law, which affected fulfillment of the treaties not only in technical aspects, but in political aspects as well. The purpose was to present clear and firm Panamanian positions to the U.S. authorities. While carrying out our duties as ambassador to the White House, we had to accompany this team to several working sessions with the congressional subcommittee in charge of Panama Canal relations. At one of those sessions the U.S. subcommittee was presented with [a document] about Panama's position on Law 96-70, with the understanding, and the desire as well, that the subcommittee on the Panama Canal would review it and would subsequently revise the law and amend it as necessary. We harbor both the hope and the conviction that the U.S. Congress will revise this law, not only because of Panama's action and attitude in presenting specific recommendations, but also as a result of the talks held by our two presidents, his excellency, President Rocardo de la Espriella and President Reagan. These talks, which were held amid understanding

and comprehension, will lead to the necessary attitude so that the amendments can become effective soon.

If the understanding and willingness to communicate, if the tolerance that Panama is displaying with regard to the need to make these changes effective do not succeed, then our government will have to consider and devise other alternatives. We can be sure, however, that our marked and permanent attention will be focused on the need to introduce these amendments and on preventing the violation of any of the conditions established in the Torrijos-Carter treaties.

With regard to the instruments that were also approved and that were an integral part of the complex legal documents on the canal--I am referring now to the neutrality treaty, which in our view was violated when aid was given to the British armed forces in their action against our sister nation, Argentina--the Panamanian Government never hesitated in denouncing that violation and in warning the United States against such violations of the neutrality treaty.

The other laws passed in the United States and the amendments, mentioned by Honorable Representative Dario Gonzalez Pitti, to laws that have to do with war, arms and possible or planned acts of aggression are a constant cause of concern for us. As a result of this, we always maintain Panama's firm stand that conflicts in the area should be handled through negotiation and dialogue and that political rather than war-oriented solutions should be sought. We have been very clear and emphatic with the United States, and we have expressed our concern to them not only with regard to these amendments but with regard to actions like the naval exercises staged in the Caribbean. Panama objected to that action and that attitude by the United States because we favor a policy of understanding and peace.

As for actions being promoted by the U.S. Government, particularly the aid plan for the Caribbean Basin and Central America, that initiative has yet to be duly approved, in accordance with the U.S. legislative process. It is still a subject of debate in congress because it is an integral part of legislation involving a budget matter that is being thoroughly analyzed by the U.S. Congress.

Although the investment agreement signed with the United States might benefit us, it is not necessarily linked to the approval of the Caribbean Basin plan. The United States has signed investment agreements with many other countries. When the U.S. Government established a tax law that did not permit the deduction of expenditures on congresses, conventions and meetings held outside of the United States, Mexico and Canada, we acted in Washington to immediately request that the U.S. Government reconsider that law, because it affected our tourism development activities and the completion of the Atlapa convention center. Part of what was discussed in a series of meetings was included within the context of an investment plan that is not yet fully drafted. At that time the U.S. Government said that Jamaica was negotiating a similar agreement, that Canada had negotiated a similar agreement and that many European countries have signed investment agreements with the United States. Therefore, it is not an exclusive agreement, nor does it compromise our country's sovereignty nor allow the U.S. Government any control over or interference in our domestic affairs. It is simply a legal instrument that promotes investment between the

two countries. It is bilateral, since it also deals with Panamanian investments in the United States.

Panama favorably views, supports and backs the Mexican and Venezuelan presidents' initiatives to find a solution to area conflicts, especially the very tense border problem between Honduras and Nicaragua. We believe that the Mexican-Venezuelan interest and initiative could be expanded to include other conflicts in the area.

There are other points that are very important, which we pointed out in our initial speech with regard to the mechanisms that we think are necessary to achieve peaceful negotiated solutions. Among them, and in addition to what we said at the beginning of our speech, we want to stress two that are essential:

The arms buildup in the area must be stopped. As long as there is a flow of weapons, regardless of their origin, the chances of finding peaceful solutions are increasingly more difficult and complex.

There must also be willingness on the part of the groups involved, or those which have political responsibilities, to sit down and negotiate. This willingness can be achieved with the support of all nations in the area and of the hemisphere. If there is a consensus among all of the countries, and if we can combine all of the common views, make them effective and promoted this idea, then the chances for a negotiated solution would be much more feasible and would be achieved much sooner.

CSO: 3248/129



## UNIR SENATOR ON PARTY UNITY, SHINING PATH, APRA

Lima CARETAS in Spanish 20 Sep 82 pp 28-32

[Interview with Rolando Brena Pantoja, UNIR senator, by Alberto Bonilla; date and place not given]

[Text] Rolando Brena Pantoja, 38, is the youngest senator in the republic. Elected by the UNIR, the front in which the Communist Party of Peru Red Fatherland that he heads is a major partner, he is a man who knows the Shining Path from the inside. Shining Path, which is a kind of repudiated first cousin, is now trying to win over the activist sector of the United Left [IU], about whose second anniversary and the difficulty of unity between clans, the jealous and distrustful leaders, Brena Pantoja speaks in the following interview. Having come back from a "Beijingism" which causes some to call him Lolando, the diminutive and pugnacious leader continues, nevertheless, trying to move the country into socialism, in spite of the fact that he recognizes that in countries like Poland things are worse than here.

[Question] As a party which believes in the possibility of cooperation with the national bourgeoisie, how do you view the reactivation of the idea of an APRA [American Revolutionary Popular Alliance]-IU popular front, with an eye on 1985, which Javier Valle Riestra has just proposed?

[Answer] What is fundamental to us as the left is to strengthen our own unity, giving us greater cohesion and providing us with an alternative political program to that of the AP [Popular Action], APRA and the country's other political parties. Another important task is achieving greater presence in the masses.

[Question] Does that mean you are ruling out the possibility of the front?

[Answer] Before we contemplate an alliance with other political groups we must first see to our own unity, which is our strength. An alliance with other parties on the basis of inferiority, with a weakened, still incoherent and inconsistent front, without a program, is to give too much advantage to those

other political groups which may not be sufficiently coherent in the defense of the people's interests.

[Question] The distrust between the Marxist left and APRA continues, then?

[Answer] I think that the distrust is natural because APRA has a past which does not necessarily coincide with the people's aspirations. This does not in any way mean that the people are not also in APRA, sound sectors with which it is possible to reach agreement, not only in this stage, in tactical aspects in the face of an economic program which seems to us to be inimical to national interests. However, future political perspectives cannot be decided now. It depends upon the political situation, the evolution of the national situation and the political conduct of each of the parties involved.

[Question] United Left has just had its second anniversary, but up to now it has been unable to put together a common political program. What is holding things up?

[Answer] Your question includes a criticism, and you are correct. It seems to me that in order to judge IU's 2 years of existence we would have to consider two aspects. First, in spite of weaknesses and incoherencies, the mere fact that it exists appears to me to be a victory. Unfortunately, in these 2 years IU has not done all that it should have. It did not know how to behave as the centralizer of the popular political movement and national discontent. It did not know how to develop a minimal action program, which makes it a front without a compass. Nor has it effectively penetrated the masses. What is more, within the IU there is still mutual distrust, the product of many years of confrontations, internal clashes and the remnants of the work of clans, sectarianisms which we still have not overcome.

[Question] Does that mean that the process of coalition [carnetizacion] and the eventual Mariateguist Party is still somewhat far off?

[Answer] We have proposed a coalition but not as an objective to be attained tomorrow. The Mariateguist Party is still a working hypothesis. We cannot forget that IU is a combination of parties, each with its own outlook, tactics and strategies, its own leaders....

[Question] Has not the phenomenon of Shining Path become one more element in the leftist crisis of Peru?

[Answer] One of Shining Path's objectives is to continually pressure the parties of the left basically to motivate their young activists with a view to their recruitment into its ranks. Although we cannot say whether the growth of Shining Path is due to the inertia of the left--as it has been said out there--we can say that if this serious inertia continues or worsens, without the left's finalizing its program, a tactical plan and strategy and its unity, it is running the risk that many of its activists may wind up outside the IU, whether in the traditional parties of the right or in Shining Path.



[Question] Shining Path maintains that it has been the only revolutionary option since the parties of the left began to participate in the state apparatus, even as the opposition. What do you think about that?

[Answer] That will have to be our point of departure, whether we like it or not; we are part of the existing society. There is a constitutional government. We, like the IU--since we take part in the electoral process--are part of constitutional process. However, this participation in the constitutional process and in the Legislature does not mean being the guarantor of the regime. It simply means that when we engage in a political battle we have the right and obligation to employ all the channels open to utilization with a view to gaining a larger audience in the popular sectors, a greater field of action in the work of the organization and indoctrination of the masses. Participation in the electoral process does not mean that we are electioneers, just as not participating in the electoral process does not mean we are revolutionaries. Not everything done in the armed struggle is also Marxist.

[Question] But it is precisely electoral participation for which Shining Path will not forgive you, who have become a little like their cousins.

[Answer] Originally we were part of a single organization which split up over the manner of interpreting the country's politicoeconomic problems and the respective solutions. And also, of course, the manner of applying general revolutionary theories. Shining Path does not agree with our electoral participation; however, for them every legal battle (parliamentary, trade union, municipal, etc. battle) is a reformist and counterrevolutionary and falls within the framework of reaction. The struggles for democratic freedoms and rights are simply bourgeois struggles in which revolutionaries should not participate.

[Question] But what happened? Did you tone down or did they become radicalized?

[Answer] We were never together. In 1964, the Communist Party split; and factions sprang up which for ease of reference are called Muscovite and Chinese. The latter called itself the Peruvian Communist Party Red Flag and was headed by Saturnino Paredes. In 1969, the rank and file of that party expelled Paredes and founded what is called the Communist Party of Peru Red Fatherland. Now, yes it is true that many of their leaders have worked with us. Unfortunately the ups and downs of the political struggle, the ways of interpreting the national reality and implementing the methodology of political struggle have separated us. At present the differences are profound, extremely serious....

[Question] To the degree that there was an attack on the Arequipa UNIR office....

[Answer] As a matter of fact our office in Arequipa was dynamited, apparently by Shining Path. I feel that they would like to corner us to seek what they call a definition: either with the bourgeoisie or with the revolution.

[Question] Is that why you put up security signs in that office which ask the comrades to identify themselves when they are asked for their documents?

[Answer] Yes, because lately in many UNIR party offices there have been attacks and provocations of all kinds, both from the right and left.

[Question] But more important than the party offices is the activist youth group which apparently Shining Path is trying to attract. What steps are you taking in this regard?

[Answer] In the first place, what seems fundamental to us is political and ideological demarcation. Frequently the left has been faulted for being in disagreement with Shining Path merely over the question of the right time, which is said not have yet arrived. No. The problem is not one of timeliness but rather of ideological and political conception: we are not in agreement with the use of terrorism as a political method nor with the use of violence against rival popular sectors. They have a dogmatic, static and antihistorical viewpoint. They are situated completely outside the popular sectors; they are a kind of apostle of dynamite who want to make a revolution only with audacity.

[Question] In other words, you people do not subscribe to the belief that violence is the midwife of history?

[Answer] Revolutionary violence is one thing; terrorism is something else. They are not synonymous. There are justifiable acts of violence; the Constitution itself states that the people do not owe obedience to a usurper government and recognizes the right of insurgency. There are also just wars. This does not justify acts of blind, sterile violence.

[Question] Can you say then that Shining Path's dynamite propaganda has driven the Marxist left to the defense of the constitutional order?

[Answer] We are for the defense and broadening of the democratic freedoms which have been obtained. It seems suicidal to us to try to sink them, to put an end to them. Evidently Shining Path's actions are causing the government to cut back existing democratic freedoms. In this regard, the declaration of emergency--with all the cutbacks it implies--they should consider a victory.

[Question] You spoke about a suicidal attitude. What is that suicide, a coup?

[Answer] Suicide means that we are putting the rope around our own necks for them to hang us. For that reason, we cannot allow them with their terrorist actions to liquidate existing freedoms and encourage the emergence of a fascist kind of coup which not only strike Shining Path but all popular sectors.

[Question] Then, you do not share the idea that an aggravation of the contradictions in the system would accelerate the revolution in Peru?

[Answer] Let us take a look at Chile's case. There was a fascist coup in that country which decapitated all the revolutionary organizations and the trade union movement. Did that help to accelerate the revolution? Obviously it did not. If there is no structured movement, the revolutionary forces are in the minority; there is no alternative government program and there are no masses supporting it. You can have all the aggravations you want but they will not put the people in power.

[Question] Do you agree with those who feel that Shining Path is doing harm to the entire left in the eyes of the people who do not see major differences between parties and limit themselves to the belief that it is the left which is throwing the dynamite?

[Answer] Obviously I do. Taking advantage of the state of emergency in Lima, for example, the government has arrested people who have nothing to do with terrorism. The Ministry of Interior itself has acknowledged that 80 percent of those being detained are "suspected" of aiding terrorism. These suspects include trade union and political leaders, laborers and workers. The fact is that some of the people in the government want to pigeonhole the left. The government says: "Are you on the side of democracy or terrorism?" and those of Shining Path say: "Are you on the side of imperialism and reaction or the revolution?" The left cannot accept this dichotomy because if we do we will wind up supporting the government or going over to Shining Path.

[Question] Some feel that Shining Path is only the exacerbation of what constitutes a general trend of the Marxist left; i.e., maintaining it is the panacea for all the country's problems.

[Answer] Obviously in Shining Path there is that thought: they are the only revolutionaries. Including the whole world, there are no other revolutionaries but themselves. Therefore, when Mr Belaunde says they have the support of an international power, for me that is highly debatable. Marxism is an international movement. Thus, when there is talk of international ties terrorism is not being attacked but rather those political organizations which espouse an international ideology.

[Question] However, you have not ruled out the belief that the entire left seminally has that totalitarian zeal of being the answer to all problems, the only solution.

[Answer] We have to have some point of departure. Every party feels it has the answers to the country's problems. In Peru, as in all places, every party of the right or left feels it has the bases of the solutions to the country's economic and political problems. That is completely normal. It is quite another matter for some parties to believe that have an exclusive monopoly on the truth. We feel we have already overcome that viewpoint: we are part of a combination of political forces which are struggling to change the country. As part of the combination we have the obligation of joining our forces with all those sectors which, with the exception of some factions, have the same goal as we. The construction of the united left--with the limitations I have indicated--is a step in that direction.

[Question] The Marxists parties propose to move the country toward a socialist society. In view of the crisis hovering over many of the countries of the so-called socialist camp, do you not have some fears about the direction in which they want to move the country?

[Answer] We have to make one thing clear: the communist movement is an international movement; but that does not mean that there are single models at the international level. Every country constructs its own socialism, and the concrete method of constructing our own revolution is a matter which involves us Peruvians and nobody else. Do we have any fears about the construction of socialism? I do not think so because socialism will be much better than what we have now.

[Question] Do you feel that Poland is better than it was?

[Answer] I do not think so. Poland is in a situation of a military dictatorship.

[Question] But it calls itself socialist....

[Answer] I agree; it calls itself socialist. However, I do not feel that there is socialism in Poland. There are a few dominant classes which, in the name of socialism, have taken over power, have exploited their people and the people have begun to demand democratic trade union and political rights, have even begun to demand well-being, which gave rise to a military dictatorship that is repressing those demands.

[Question] Do you think that Solidarity is more representative of the Polish people than the PZPR [Polish United Workers Party]?

[Answer] Yes, I think so because in Solidarity there are laborers, trade unions and the workers of Poland; on the other hand, the PZPR is a combination of government officials completely unconnected with productive work, with the creation of wealth. They are a group of officials who obey a social class imbedded in power and who have dependency ties with the Soviet Union.

[Question] How do you reconcile the presence of Red Fatherland in an IU in which there is also the POP-U which feels that Jaruzelski has saved socialism?

[Answer] Those are precisely matters on which we cannot agree. They feel that Poland is more or less in good shape, that Solidarity is subversive and manipulated by the CIA and imperialism, etc., that Jaruzelski is the savior of Poland. We do not share that point of view, just as we never went along with the invasion of Czechoslovakia and will never go along with an invasion of Poland by the Soviet Union. That is precisely one of the problems of unity which I think will not be resolved over the short-term. What we are doing in the IU now is seeking unity in everything upon which we can agree and leaving aside all that in which we have different national and international positions.

[Question] Recapitulating, it can be said that the IU is ready to put on long pants. However, there are sectors opposed to the presidency of Alfonso Barrantes.

[Answer] In his head Barrantes often criticizes the political parties of the left or vice versa. Barrantes is an intellectual of the left, a combatant of the left who has no political activism. Therefore, he is not obliged to share all the views of the political parties; and also, therefore, all of the political parties are not obliged to share the views of Alfonso Barrantes, because otherwise he would be an activist and we would be independent. For the very reason that Barrantes does not belong to any of the political parties he has now become the man of unity. Obviously, without the presence of Barrantes there would be no IU; however, even with Barrantes' experience, without the political parties, there would be no IU either.

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